

House Bill 4014

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Joint Interim Committee on Marijuana Legislation)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Makes changes to laws regulating production, processing, sale, use and governance of cannabis. Changes become operative March 1, 2016.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to cannabis; creating new provisions; amending ORS 90.396, 305.620, 419C.239, 419C.420,
3 419C.443, 475.245, 475.752, 475.856, 475.858, 475.860, 475.862, 475.864, 475.898, 475B.015, 475B.063,
4 475B.070, 475B.075, 475B.090, 475B.100, 475B.110, 475B.120, 475B.150, 475B.160, 475B.185,
5 475B.218, 475B.235, 475B.245, 475B.250, 475B.255, 475B.340, 475B.375, 475B.415, 475B.420,
6 475B.428, 475B.435, 475B.443, 475B.450, 475B.760, 475B.800, 809.265 and 813.215 and section 3,
7 chapter 20, Oregon Laws 2015; repealing ORS 811.481 and sections 173 and 175b, chapter 614,
8 Oregon Laws 2015; and declaring an emergency.

9 **Be It Enacted by the People of the State of Oregon:**

LICENSEES AND REGISTRANTS (Producers Licensed by the Oregon Liquor Control Commission)

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14
15 **SECTION 1.** ORS 475B.070 is amended to read:

16 475B.070. (1) The production of marijuana is subject to regulation by the Oregon Liquor Control
17 Commission.

18 (2) A marijuana producer must have a production license issued by the commission for the
19 premises at which the marijuana is produced. To hold a production license under this section, a
20 marijuana producer:

21 (a) Must apply for a license in the manner described in ORS 475B.040;

22 (b) [*Must, until January 1, 2020, provide proof that an applicant listed on an application submitted*
23 *under ORS 475B.040 has been a resident of this state for two or more years, and*] Must provide proof
24 that the applicant is 21 years of age or older; and

25 (c) Must meet the requirements of any rule adopted by the commission under subsection (3) of
26 this section.

27 (3) The commission shall adopt rules that:

28 (a) Require a marijuana producer to annually renew a license issued under this section;

29 (b) Establish application, licensure and renewal of licensure fees for marijuana producers;

30 (c) Require marijuana produced by marijuana producers to be tested in accordance with ORS

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 475B.555;

2 **(d) Assist the viability of marijuana producers that are independently owned and operated**
3 **and are limited in size and revenue with respect to other marijuana producers;**

4 [(d)] (e) Require marijuana producers to submit, at the time of applying for or renewing a license
5 under ORS 475B.040, a report describing the applicant's or licensee's electrical or water usage; and

6 [(e)(A)] (f)(A) Require a marijuana producer to meet any public health and safety standards and
7 industry best practices established by the commission by rule related to:

8 (i) The production of marijuana; or

9 (ii) The propagation of immature marijuana plants and the seeds of the plant Cannabis family
10 Cannabaceae.

11 (B) For purposes of establishing rules under subparagraph (A)(ii) of this paragraph, the com-
12 mission may not limit:

13 (i) The number of immature marijuana plants that may be possessed by a marijuana producer
14 licensed under this section;

15 (ii) The size of the grow canopy a marijuana producer licensed under this section uses to grow
16 immature marijuana plants; or

17 (iii) The weight or size of shipments of immature marijuana plants made by a marijuana pro-
18 ducer licensed under this section.

19 (4) Fees adopted under subsection (3)(b) of this section:

20 (a) May not exceed, **together with other fees collected under ORS 475B.010 to 475B.395**, the
21 cost of administering ORS 475B.010 to 475B.395 [*with respect to marijuana producers*];

22 (b) Shall be in the form of a schedule that imposes a greater fee for premises with more square
23 footage or on which more mature marijuana plants are grown; and

24 (c) Shall be deposited in the Marijuana Control and Regulation Fund established under ORS
25 475B.240.

26
27 **(Processors Licensed by the**
28 **Oregon Liquor Control Commission)**
29

30 **SECTION 2.** ORS 475B.090 is amended to read:

31 475B.090. (1) The processing of marijuana items is subject to regulation by the Oregon Liquor
32 Control Commission.

33 (2) A marijuana processor must have a processor license issued by the commission for the
34 premises at which marijuana items are processed. To hold a processor license under this section, a
35 marijuana processor:

36 (a) Must apply for a license in the manner described in ORS 475B.040;

37 (b) [*Must, until January 1, 2020, provide proof that an applicant listed on an application submitted*
38 *under ORS 475B.040 has been a resident of this state for two or more years, and*] Must provide proof
39 that the applicant is 21 years of age or older;

40 (c) If the marijuana processor processes marijuana extracts, may not be located in an area zoned
41 exclusively for residential use; and

42 (d) Must meet the requirements of any rule adopted by the commission under subsection (3) of
43 this section.

44 (3) The commission shall adopt rules that:

45 (a) Require a marijuana processor to annually renew a license issued under this section;

1 (b) Establish application, licensure and renewal of licensure fees for marijuana processors;

2 (c) Require marijuana processed by a marijuana processor to be tested in accordance with ORS
3 475B.555; and

4 (d) Require a marijuana processor to meet any public health and safety standards and industry
5 best practices established by the commission by rule related to:

6 (A) Cannabinoid edibles;

7 (B) Cannabinoid concentrates;

8 (C) Cannabinoid extracts; and

9 (D) Any other type of cannabinoid product identified by the commission by rule.

10 (4) Fees adopted under subsection (3)(b) of this section:

11 (a) May not exceed, **together with other fees collected under ORS 475B.010 to 475B.395**, the
12 cost of administering ORS 475B.010 to 475B.395 [*with respect to marijuana processors*]; and

13 (b) Shall be deposited in the Marijuana Control and Regulation Fund established under ORS
14 475B.240.

15
16 **(Wholesalers Licensed by the**
17 **Oregon Liquor Control Commission)**
18

19 **SECTION 3.** ORS 475B.100 is amended to read:

20 475B.100. (1) The wholesale sale of marijuana items is subject to regulation by the Oregon Li-
21 quor Control Commission.

22 (2) A marijuana wholesaler must have a wholesale license issued by the commission for the
23 premises at which marijuana items are received, stored or delivered. To hold a wholesale license
24 under this section, a marijuana wholesaler:

25 (a) Must apply for a license in the manner described in ORS 475B.040;

26 (b) [*Must, until January 1, 2020, provide proof that an applicant listed on an application submitted*
27 *under ORS 475B.040 has been a resident of this state for two or more years, and*] Must provide proof
28 that the applicant is 21 years of age or older;

29 (c) May not be located in an area that is zoned exclusively for residential use; and

30 (d) Must meet the requirements of any rule adopted by the commission under subsection (3) of
31 this section.

32 (3) The commission shall adopt rules that:

33 (a) Require a marijuana wholesaler to annually renew a license issued under this section;

34 (b) Establish application, licensure and renewal of licensure fees for marijuana wholesalers;

35 (c) Require marijuana items received, stored or delivered by a marijuana wholesaler to be tested
36 in accordance with ORS 475B.555; and

37 (d) Require a marijuana wholesaler to meet any public health and safety standards and industry
38 best practices established by the commission by rule.

39 (4) Fees adopted under subsection (3)(b) of this section:

40 (a) May not exceed, **together with other fees collected under ORS 475B.010 to 475B.395**, the
41 cost of administering ORS 475B.010 to 475B.395 [*with respect to marijuana wholesalers*]; and

42 (b) Shall be deposited in the Marijuana Control and Regulation Fund established under ORS
43 475B.240.

44
45 **(Retailers Licensed by the**

Oregon Liquor Control Commission)

SECTION 4. ORS 475B.110 is amended to read:

475B.110. (1) The retail sale of marijuana items is subject to regulation by the Oregon Liquor Control Commission.

(2) A marijuana retailer must have a retail license issued by the commission for the premises at which marijuana items are sold. To hold a retail license under this section, a marijuana retailer:

(a) Must apply for a license in the manner described in ORS 475B.040;

(b) *[Must, until January 1, 2020, provide proof that an applicant listed on an application submitted under ORS 475B.040 has been a resident of this state for two or more years, and]* Must provide proof that the applicant is 21 years of age or older;

(c) May not be located in an area that is zoned exclusively for residential use;

(d) May not be located within 1,000 feet of:

(A) A public elementary or secondary school for which attendance is compulsory under ORS 339.020; or

(B) A private or parochial elementary or secondary school, teaching children as described in ORS 339.030 (1)(a); and

(e) Must meet the requirements of any rule adopted by the commission under subsection (3) of this section.

(3) The commission shall adopt rules that:

(a) Require a marijuana retailer to annually renew a license issued under this section;

(b) Establish application, licensure and renewal of licensure fees for marijuana retailers;

(c) Require marijuana items sold by a marijuana retailer to be tested in accordance with ORS 475B.555; and

(d) Require a marijuana retailer to meet any public health and safety standards and industry best practices established by the commission by rule.

(4) Fees adopted under subsection (3)(b) of this section:

(a) May not exceed, **together with other fees collected under ORS 475B.010 to 475B.395**, the cost of administering ORS 475B.010 to 475B.395 *[with respect to marijuana retailers]*; and

(b) Shall be deposited in the Marijuana Control and Regulation Fund established under ORS 475B.240.

**(Marijuana Grow Sites Registered
with the Oregon Health Authority)**

SECTION 5. ORS 475B.420 is amended to read:

475B.420. (1)(a) The Oregon Health Authority shall establish by rule a marijuana grow site registration system to track and regulate the production of marijuana by a registry identification cardholder or a person designated by the registry identification cardholder to produce marijuana for the registry identification cardholder.

(b) Except as provided in paragraph (c) of this subsection, a person may not produce marijuana unless the person is registered under this section.

(c) Paragraph (b) of this subsection does not apply to the production of marijuana as provided in ORS 475B.010 to 475B.395 or as otherwise provided for by the statutory laws of this state.

(2) Rules adopted under this section must require an applicant for a registry identification card,

1 or a registry identification cardholder who produces marijuana or who designates another person
2 to produce marijuana, to submit an application to the authority containing the following information
3 at the time of making an application under ORS 475B.415 (2), renewing a registry identification card
4 under ORS 475B.415 (6)(b), or notifying the authority of a change under ORS 475B.415 (6)(a):

5 (a) The name of the person responsible for the marijuana grow site;

6 (b) [*Proof, until January 1, 2020, that the person responsible for the marijuana grow site has been*
7 *a resident of this state for two or more years, and*] Proof that the person is 21 years of age or older;

8 (c) The address of the marijuana grow site; and

9 (d) Any other information that the authority considers necessary to track the production of
10 marijuana under ORS 475B.400 to 475B.525.

11 (3)(a) The authority shall conduct a criminal records check under ORS 181A.195 of any person
12 whose name is submitted under this section as the person responsible for a marijuana grow site.

13 (b) A person convicted of a Class A or Class B felony under ORS 475.752 to 475.920 for the
14 manufacture or delivery of a controlled substance in Schedule I or Schedule II may not act as or
15 be designated a person responsible for a marijuana grow site for two years from the date of con-
16 viction.

17 (c) A person convicted more than once of a Class A or Class B felony under ORS 475.752 to
18 475.920 for the manufacture or delivery of a controlled substance in Schedule I or Schedule II may
19 not act as or be designated a person responsible for a marijuana grow site.

20 (4) Subject to subsection (11) of this section, the authority shall issue a marijuana grow site
21 registration card if the requirements of subsections (2) and (3) of this section are met.

22 (5) A person who holds a marijuana grow site registration card under this section must display
23 the card at the marijuana grow site at all times.

24 (6) A marijuana grow site registration card must be obtained and posted for each registry
25 identification cardholder for whom marijuana is being produced at a marijuana grow site.

26 (7)(a) All seeds, immature marijuana plants, mature marijuana plants and usable marijuana as-
27 sociated with the production of marijuana for a registry identification cardholder by a person re-
28 sponsible for a marijuana grow site are the property of the registry identification cardholder.

29 (b) All seeds, immature marijuana plants, mature marijuana plants and usable marijuana asso-
30 ciated with the production of marijuana for a registry identification cardholder by a person re-
31 sponsible for a marijuana grow site must be transferred to the registry identification cardholder
32 upon the request of the registry identification cardholder.

33 (c) All usable marijuana associated with the production of marijuana for a registry identification
34 cardholder by a person responsible for a marijuana grow site must be transferred to a marijuana
35 processing site upon the request of the registry identification cardholder. For purposes of this par-
36 agraph, a request to transfer usable marijuana constitutes an assignment of the right to possess the
37 usable marijuana.

38 (d) All seeds, immature marijuana plants and usable marijuana associated with the production
39 of marijuana for a registry identification cardholder by a person responsible for a marijuana grow
40 site must be transferred to a medical marijuana dispensary upon request of the registry identifica-
41 tion cardholder. For purposes of this paragraph, a request to transfer seeds, immature marijuana
42 plants or usable marijuana constitutes an assignment of the right to possess the seeds, immature
43 marijuana plants or usable marijuana.

44 (e) Information related to transfers made under this subsection must be submitted to the au-
45 thority in the manner required by ORS 475B.423.

1 (8) A registry identification cardholder, or the designated caregiver of a registry identification
 2 cardholder, may reimburse a person responsible for a marijuana grow site for all costs associated
 3 with the production of marijuana for the registry identification cardholder.

4 (9) The authority may inspect:

5 (a) The marijuana grow site of a person designated to produce marijuana by a registry identifi-
 6 cation cardholder to ensure compliance with this section and ORS 475B.423 and 475B.428 and any
 7 rule adopted under this section and ORS 475B.423 and 475B.428; and

8 (b) The records of the marijuana grow site of a person designated to produce marijuana by a
 9 registry identification cardholder to ensure compliance with this section and ORS 475B.423 and any
 10 rule adopted under this section and ORS 475B.423.

11 (10) The authority may refuse to register a registry identification cardholder or a designee under
 12 this section or may suspend or revoke the registration of a person responsible for a marijuana grow
 13 site if the authority determines that the applicant or the person responsible for a marijuana grow
 14 site violated a provision of ORS 475B.400 to 475B.525, a rule adopted under ORS 475B.400 to
 15 475B.525 or an ordinance adopted pursuant to ORS 475B.500.

16 (11) The authority may require a person responsible for a marijuana grow site, prior to issuing
 17 a marijuana grow site registration card under subsection (4) of this section, to pay a fee reasonably
 18 calculated to pay costs incurred under this section and ORS 475B.423 and 475B.458.

19
 20 **(Processors Registered with the**
 21 **Oregon Health Authority)**
 22

23 **SECTION 6.** ORS 475B.435 is amended to read:

24 475B.435. (1)(a) The Oregon Health Authority shall establish by rule a marijuana processing site
 25 registration system to track and regulate the processing of marijuana by a person responsible for
 26 a marijuana processing site.

27 (b) Except as provided in paragraph (c) of this subsection, a person may not process marijuana
 28 unless the person is registered under this section.

29 (c) Paragraph (b) of this subsection does not apply to the processing of marijuana as provided
 30 in ORS 475B.010 to 475B.395 or as otherwise provided for by the statutory laws of this state.

31 (2) The registration system established under subsection (1) of this section must require an ap-
 32 plicant for a marijuana processing site to submit an application to the authority that includes:

33 (a) The name of the individual who owns the marijuana processing site or, if a business entity
 34 owns the marijuana processing site, the name of each individual who has a financial interest in the
 35 marijuana processing site;

36 (b) The name of the individual or individuals responsible for the marijuana processing site, if
 37 different from the name of the individual who owns the marijuana processing site;

38 (c) The address of the marijuana processing site;

39 (d) *[Proof, until January 1, 2020, that each individual responsible for the marijuana processing site*
 40 *has been a resident of this state for two or more years, and]* Proof that each individual responsible
 41 for the marijuana processing site is 21 years of age or older;

42 (e) Documentation, as required by the authority by rule, that demonstrates the marijuana pro-
 43 cessing site meets the requirements of subsection (3) of this section; and

44 (f) Any other information that the authority considers necessary.

45 (3) To qualify for registration under this section, a marijuana processing site:

1 (a) May not be located in an area that is zoned for residential use if the marijuana processing
2 site processes cannabinoid extracts;

3 (b) Must be registered as a business, or have filed an application to register as a business, with
4 the office of the Secretary of State; and

5 (c) Must meet the requirements of any rule adopted by the authority under subsection (10) of
6 this section.

7 (4)(a) The authority shall conduct a criminal records check under ORS 181A.195 for each indi-
8 vidual named in an application under subsection (2) of this section.

9 (b) An individual convicted for the manufacture or delivery of a controlled substance in Sched-
10 ular I or Schedule II may not own or be responsible for a marijuana processing site for two years
11 from the date the individual is convicted.

12 (c) An individual convicted more than once for the manufacture or delivery of a controlled
13 substance in Schedule I or Schedule II may not own or be responsible for a marijuana processing
14 site.

15 (5) If a person submits the application required under subsection (2) of this section, if the
16 marijuana processing site identified in the application meets the requirements of this section and
17 any rules adopted under this section and if each individual named in the application passes the
18 criminal records check required under subsection (4) of this section, the authority shall register the
19 marijuana processing site and issue proof of registration. Proof of registration must be displayed on
20 the premises of the marijuana processing site at all times.

21 (6) A marijuana processing site that is registered under this section is not required to register
22 with the State Board of Pharmacy under ORS 475.125.

23 (7) The individual or individuals responsible for a marijuana processing site shall maintain doc-
24 umentation of each transfer of usable marijuana, medical cannabinoid products, cannabinoid con-
25 centrates and cannabinoid extracts.

26 (8) The authority may inspect:

27 (a) The premises of a proposed marijuana processing site or a registered marijuana processing
28 site to ensure compliance with this section and ORS 475B.438 and 475B.440 and any rules adopted
29 under this section and ORS 475B.438 and 475B.440; and

30 (b) The records of a registered marijuana processing site to ensure compliance with subsection
31 (7) of this section.

32 (9) Subject to the provisions of ORS chapter 183, the authority may refuse to register an appli-
33 cant under this section or may suspend or revoke the registration of a marijuana processing site if
34 the authority determines that the applicant, the owner of the marijuana processing site, a person
35 responsible for the marijuana processing site, or an employee of the marijuana processing site, vio-
36 lated a provision of ORS 475B.400 to 475B.525, a rule adopted under ORS 475B.400 to 475B.525 or
37 an ordinance adopted pursuant to ORS 475B.500.

38 (10) The authority shall adopt rules to implement this section, including rules that:

39 (a) Require a registered marijuana processing site to annually renew the registration for that
40 site;

41 (b) Establish fees for registering, and renewing the registration of, a marijuana processing site;

42 (c) Require that medical cannabinoid products, cannabinoid concentrates and cannabinoid ex-
43 tracts transferred by a marijuana processing site be tested to ensure the public health and safety;
44 and

45 (d) Impose any other standard on the operation of a marijuana processing site to ensure the

1 public health and safety.

2 **SECTION 6a.** ORS 475B.443 is amended to read:

3 475B.443. (1) A marijuana processing site may not transfer medical cannabinoid products,
4 cannabinoid concentrates or cannabinoid extracts to a person other than [*a registry identification*
5 *cardholder, a designated primary caregiver*] **another marijuana processing site** or a medical
6 marijuana dispensary.

7 (2) A person other than a marijuana processing site may not transfer medical cannabinoid pro-
8 ducts, cannabinoid concentrates or cannabinoid extracts to a medical marijuana dispensary.

9
10 **(Medical Marijuana Dispensaries Registered**
11 **with the Oregon Health Authority)**
12

13 **SECTION 7.** ORS 475B.450 is amended to read:

14 475B.450. (1)(a) The Oregon Health Authority shall establish by rule a medical marijuana
15 dispensary registration system for the purpose of tracking and regulating the transfer of:

16 (A) Usable marijuana, immature marijuana plants and seeds from registry identification
17 cardholders, designated primary caregivers and persons responsible for marijuana grow sites to
18 medical marijuana dispensaries;

19 (B) Medical cannabinoid products, cannabinoid concentrates and cannabinoid extracts from
20 persons responsible for marijuana processing sites to medical marijuana dispensaries; and

21 (C) Usable marijuana, immature marijuana plants, seeds, medical cannabinoid products,
22 cannabinoid concentrates and cannabinoid extracts from medical marijuana dispensaries to registry
23 identification cardholders and designated primary caregivers.

24 (b) A person may not operate an establishment for the purpose of providing the services de-
25 scribed in paragraph (a) of this subsection unless the person is registered under this section.

26 (2) The registration system established under subsection (1) of this section must require an ap-
27 plicant for a medical marijuana dispensary to submit an application to the authority that includes:

28 (a) The name of the individual who owns the medical marijuana dispensary or, if a business
29 entity owns the medical marijuana dispensary, the name of each individual who has a financial in-
30 terest in the medical marijuana dispensary;

31 (b) The name of the individual or individuals responsible for the medical marijuana dispensary,
32 if different from the name of the individual who owns the medical marijuana dispensary;

33 (c) The address of the medical marijuana dispensary;

34 (d) [*Proof, until January 1, 2020, that each individual responsible for the medical marijuana*
35 *dispensary has been a resident of this state for two or more years, and*] Proof that each individual
36 responsible for the medical marijuana dispensary is 21 years of age or older;

37 (e) Documentation, as required by the authority by rule, that demonstrates the medical
38 marijuana dispensary meets the requirements of subsection (3) of this section; and

39 (f) Any other information that the authority considers necessary.

40 (3) To qualify for registration under this section, a medical marijuana dispensary:

41 (a) May not be located in an area that is zoned for residential use;

42 (b) May not be located at the same address as a marijuana grow site;

43 (c) Must be registered as a business, or have filed an application to register as a business, with
44 the office of the Secretary of State;

45 (d) May not be located within 1,000 feet of:

1 (A) A public elementary or secondary school for which attendance is compulsory under ORS
2 339.020; or

3 (B) A private or parochial elementary or secondary school, teaching children as described in
4 ORS 339.030 (1)(a);

5 (e) Must not be located within 1,000 feet of another medical marijuana dispensary; and

6 (f) Must meet the requirements of any rule adopted by the authority under subsection (10) of this
7 section.

8 (4)(a) The authority shall conduct a criminal records check under ORS 181A.195 for each indi-
9 vidual named in an application submitted under subsection (2) of this section.

10 (b) An individual convicted for the manufacture or delivery of a controlled substance in Sched-
11 ular I or Schedule II may not own or be responsible for a medical marijuana dispensary for two years
12 from the date the individual is convicted.

13 (c) An individual convicted more than once for the manufacture or delivery of a controlled
14 substance in Schedule I or Schedule II may not own or be responsible for a medical marijuana
15 dispensary.

16 (5) If a person submits the application required under subsection (2) of this section, if the med-
17 ical marijuana dispensary identified in the application meets the requirements of this section and
18 any rules adopted under this section and if each individual named in the application passes the
19 criminal records check required under subsection (4) of this section, the authority shall register the
20 medical marijuana dispensary and issue proof of registration. Proof of registration must be displayed
21 on the premises of the medical marijuana dispensary at all times.

22 (6) A medical marijuana dispensary that is registered under this section is not required to reg-
23 ister with the State Board of Pharmacy under ORS 475.125.

24 (7) The individual or individuals responsible for a medical marijuana dispensary shall maintain
25 documentation of each transfer of usable marijuana, medical cannabinoid products, cannabinoid
26 concentrates, cannabinoid extracts, immature marijuana plants and seeds.

27 (8) The authority may inspect:

28 (a) The premises of a proposed medical marijuana dispensary or a registered medical marijuana
29 dispensary to ensure compliance with this section and ORS 475B.453 and any rules adopted under
30 this section or ORS 475B.453; and

31 (b) The records of a registered medical marijuana dispensary to ensure compliance with sub-
32 section (7) of this section.

33 (9) Subject to the provisions of ORS chapter 183, the authority may refuse to register an appli-
34 cant under this section or may suspend or revoke the registration of a medical marijuana dispensary
35 if the authority determines that the applicant, the owner of the medical marijuana dispensary, a
36 person responsible for the medical marijuana dispensary, or an employee of the medical marijuana
37 dispensary, violated a provision of ORS 475B.400 to 475B.525, a rule adopted under ORS 475B.400
38 to 475B.525 or an ordinance adopted pursuant to ORS 475B.500.

39 (10) The authority shall adopt rules to implement this section, including rules that:

40 (a) Require a registered medical marijuana dispensary to annually renew the registration for
41 that dispensary;

42 (b) Establish fees for registering, and renewing the registration of, a medical marijuana
43 dispensary;

44 (c) Require that each medical marijuana dispensary install and maintain a minimum security
45 system that includes video surveillance, an alarm system and a safe;

1 (d) Require that usable marijuana, medical cannabinoid products, cannabinoid concentrates,
2 cannabinoid extracts and immature marijuana plants transferred by a medical marijuana dispensary
3 be tested to ensure the public health and safety; and

4 (e) Impose any other standard on the operation of a medical marijuana dispensary to ensure the
5 public health and safety.

6
7 **(Registry Identification Cardholders**
8 **and Designated Primary Caregivers)**
9

10 **SECTION 8.** ORS 475B.415 is amended to read:

11 475B.415. (1) The Oregon Health Authority shall establish a program for the issuance of registry
12 identification cards to applicants who meet the requirements of this section.

13 (2) The authority shall issue a registry identification card to an applicant who is 18 years of age
14 or older if the applicant pays a fee in an amount established by the authority by rule and submits
15 to the authority an application containing the following information:

16 (a) Written documentation from the applicant's attending physician stating that the attending
17 physician has diagnosed the applicant as having a debilitating medical condition and that the med-
18 ical use of marijuana may mitigate the symptoms or effects of the applicant's debilitating medical
19 condition;

20 (b) The name, address and date of birth of the applicant;

21 (c) The name, address and telephone number of the applicant's attending physician;

22 (d) Proof of residency, [as] **submitted in a form** required by the authority by rule;

23 (e) The name and address of the applicant's designated primary caregiver, if the applicant is
24 designating a primary caregiver under ORS 475B.418; and

25 (f) The information described in ORS 475B.420 (2), if the applicant is applying to produce
26 marijuana or designate another person under ORS 475B.420 to produce marijuana.

27 (3)(a) The authority shall issue a registry identification card to an applicant who is under 18
28 years of age if:

29 (A) The applicant pays the fee and submits the application described in subsection (2) of this
30 section; and

31 (B) The custodial parent or legal guardian who is responsible for the health care decisions of
32 the applicant signs and submits to the authority a written statement that:

33 (i) The applicant's attending physician has explained to the applicant and to the custodial parent
34 or legal guardian the possible risks and benefits of the medical use of marijuana;

35 (ii) The custodial parent or legal guardian consents to the medical use of marijuana by the ap-
36 plicant;

37 (iii) The custodial parent or legal guardian agrees to serve as the applicant's designated primary
38 caregiver; and

39 (iv) The custodial parent or legal guardian agrees to control the acquisition, dosage and fre-
40 quency of the medical use of marijuana by the applicant.

41 (b) An applicant who is under 18 years of age may not apply to produce marijuana under sub-
42 section (2)(f) of this section.

43 (4) The authority shall:

44 **(a) On the date on which the authority receives an application, issue a receipt to the**
45 **applicant verifying that the authority received an application under subsection (2) or (3) of**

1 **this section; and**

2 (b) Approve or deny an application **received under subsection (2) or (3) of this section** within
 3 30 days after receiving the application.

4 (5)(a) If the authority approves an application, the authority shall issue a serially numbered
 5 registry identification card to the applicant within five days after approving the application. The
 6 registry identification card must include the following information:

7 (A) The registry identification cardholder's name, address and date of birth;

8 (B) The issuance date and expiration date of the registry identification card;

9 (C) If the registry identification cardholder designated a primary caregiver under ORS 475B.418,
 10 the name and address of the registry identification cardholder's designated primary caregiver; and

11 (D) Any other information required by the authority by rule.

12 (b) If the registry identification cardholder designated a primary caregiver under ORS 475B.418,
 13 the authority shall issue an identification card to the designated primary caregiver. The identifica-
 14 tion card must contain the information required by paragraph (a) of this subsection.

15 (6) A registry identification cardholder shall:

16 (a) In a form and manner prescribed by the authority, notify the authority of any change con-
 17 cerning the registry identification cardholder's:

18 (A) Name, address or attending physician;

19 (B) Designated primary caregiver, including the designation of a primary caregiver made at a
 20 time other than at the time of applying for or renewing a registry identification card; or

21 (C) Person responsible for a marijuana grow site, including the designation of a person respon-
 22 sible for a marijuana grow site made at a time other than at the time of applying for or renewing
 23 a registry identification card.

24 (b) Annually renew the registry identification card by paying a fee in an amount established by
 25 the authority by rule and submitting to the authority an application that contains the following in-
 26 formation:

27 (A) Updated written documentation from the registry identification cardholder's attending phy-
 28 sician stating that the registry identification cardholder still has a debilitating medical condition
 29 and that the medical use of marijuana may mitigate the symptoms or effects of the registry iden-
 30 tification cardholder's debilitating medical condition;

31 (B) The information described in subsection (2)(b) to (f) of this section; and

32 (C) If the registry identification cardholder is under 18 years of age, a statement signed by the
 33 custodial parent or legal guardian of the registry identification cardholder that meets the require-
 34 ments of subsection (3) of this section.

35 **(7) The authority shall:**

36 **(a) On the date on which the authority receives an application, issue a receipt to the**
 37 **applicant verifying that the authority received an application under subsection (6)(b) of this**
 38 **section; and**

39 **(b) Approve or deny an application received under subsection (6)(b) of this section within**
 40 **30 days after receiving the application.**

41 [(7)(a)] **(8)(a)** If the registry identification cardholder's attending physician determines that the
 42 registry identification cardholder no longer has a debilitating medical condition, or determines that
 43 the medical use of marijuana is contraindicated for the registry identification cardholder's debili-
 44 tating medical condition, the registry identification cardholder shall return the registry identifica-
 45 tion card to the authority within 30 calendar days after receiving notice of the determination.

1 (b) If, because of circumstances beyond the control of the registry identification cardholder, a
 2 registry identification cardholder is unable to obtain a second medical opinion about the registry
 3 identification cardholder's continuing eligibility for the medical use of marijuana before having to
 4 return the registry identification card to the authority, the authority may grant the registry iden-
 5 tification cardholder additional time to obtain a second medical opinion.

6 [(8)(a)] **(9)(a)** The authority may deny an application for a registry identification card or an ap-
 7 plication to renew a registry identification card, or may suspend or revoke a registry identification
 8 card, if:

9 (A) The applicant or registry identification cardholder does not provide the information required
 10 by this section;

11 (B) The authority determines that the applicant or registry identification cardholder provided
 12 false information; or

13 (C) The authority determines that the applicant or registry identification cardholder violated a
 14 provision of ORS 475B.400 to 475B.525 or a rule adopted under ORS 475B.400 to 475B.525.

15 (b) If a registry identification card is revoked, any associated identification card issued under
 16 subsection (5)(b) of this section, or marijuana grow site registration card issued under ORS 475B.420
 17 (6), shall also be revoked.

18 (c) A person whose application is denied, or whose registry identification card is revoked, under
 19 this subsection may not reapply for a registry identification card for six months from the date of the
 20 denial or revocation unless otherwise authorized by the authority.

21 [(9)(a)] **(10)(a)** The authority may deny a designation of a primary caregiver made under ORS
 22 475B.418, or suspend or revoke an associated identification card issued under subsection (5)(b) of
 23 this section, if the authority determines that the designee or the registry identification cardholder
 24 violated a provision of ORS 475B.400 to 475B.525 or a rule adopted under ORS 475B.400 to 475B.525.

25 (b) A person whose designation has been denied, or whose identification card has been revoked,
 26 under this subsection may not be designated as a primary caregiver under ORS 475B.418 for six
 27 months from the date of the denial or revocation unless otherwise authorized by the authority.

28 [(10)] **(11)** Notwithstanding subsection (2) or (6)(b) of this section, if an applicant for a registry
 29 identification card, or a registry identification cardholder applying for renewal of a registry iden-
 30 tification card, submits to the authority proof of having served in the Armed Forces of the United
 31 States and of having been diagnosed with post-traumatic stress disorder, the authority may not im-
 32 pose a fee that is greater than \$20 for the issuance or renewal of the registry identification card.

33 **(12) For any purpose described in ORS 475B.400 to 475B.525, including exemption from**
 34 **criminal liability under ORS 475B.475, a receipt issued by the authority verifying that an**
 35 **application has been submitted to the authority under subsection (2), (3) or (6)(b) of this**
 36 **section has the same legal effect as a registry identification card for 30 days following the**
 37 **date on which the receipt was issued to the applicant.**

38
 39 **MATURE MARIJUANA PLANT GROW CANOPIES**

40
 41 **SECTION 9.** ORS 475B.075 is amended to read:

42 475B.075. (1) Subject to subsection (2) of this section, the Oregon Liquor Control Commission
 43 shall adopt rules restricting the size of mature marijuana plant grow canopies at premises for which
 44 a license has been issued under ORS 475B.070. In adopting rules under this subsection, the com-
 45 mission shall:

1 (a) Limit the size of mature marijuana plant grow canopies, for premises where marijuana is
 2 grown outdoors and for premises where marijuana is grown indoors, in a manner calculated to result
 3 in premises that produce the same amount of harvested marijuana leaves and harvested marijuana
 4 flowers regardless of whether the marijuana is grown outdoors or indoors.

5 (b) Adopt a tiered system under which the permitted size of a marijuana producer’s mature
 6 marijuana plant grow canopy increases at the time of licensure renewal under ORS 475B.070, except
 7 that the permitted size of a marijuana producer’s mature marijuana plant grow canopy may not in-
 8 crease following any year during which the commission disciplined the marijuana producer for vio-
 9 lating a provision of ORS 475B.010 to 475B.395 or a rule adopted under a provision of ORS 475B.010
 10 to 475B.395.

11 (c) Take into consideration the market demand for marijuana items in this state, the number of
 12 persons applying for a license under ORS 475B.070 and to whom a license has been issued under
 13 ORS 475B.070, and whether the availability of marijuana items in this state is commensurate with
 14 the market demand.

15 (2) This section:

16 (a) **Applies only to that portion of a premises for which a license has been issued under**
 17 **ORS 475B.070 that is used to produce mature marijuana plants; and**

18 (b) Does not apply to a premises for which a license has been issued under ORS 475B.070 if the
 19 premises is used only to propagate immature marijuana plants.

20
 21 **APPLICATION PROCESS FOR OREGON**
 22 **LIQUOR CONTROL COMMISSION LICENSEES**
 23

24 **SECTION 10.** ORS 475B.063 is amended to read:

25 475B.063. (1) Prior to [*the issuance of*] **receiving** a license under ORS 475B.070, 475B.090,
 26 475B.100 or 475B.110, [*the Oregon Liquor Control Commission*] **an applicant** shall request a land use
 27 compatibility statement from the city or county that authorizes the land use. The land use compat-
 28 ibility statement must demonstrate that the requested license is for a land use that is allowable as
 29 a permitted or conditional use within the given zoning designation where the land is located. The
 30 **Oregon Liquor Control** Commission may not issue a license if the land use compatibility statement
 31 shows that the proposed land use is prohibited in the applicable zone.

32 (2) **Except as provided in subsection (3) of this section,** a city or county that receives a re-
 33 quest for a land use compatibility statement under this section must act on that request within 21
 34 days of:

35 (a) Receipt of the request, if the land use is allowable as an outright permitted use; or

36 (b) Final local permit approval, if the land use is allowable as a conditional use.

37 (3) **A city or county that receives a request for a land use compatibility statement under**
 38 **this section is not required to act on that request during the period that the commission**
 39 **discontinues licensing those premises pursuant to ORS 475B.800 (4)(b).**

40 [(3)] (4) A city or county action concerning a land use compatibility statement under this section
 41 is not a land use decision for purposes of ORS chapter 195, 196, 197, [*or*] 215 **or 227.**

42
 43 **RESEARCH**
 44

45 **SECTION 11.** ORS 475B.235 is amended to read:

1 475B.235. (1) The Oregon Liquor Control Commission, in consultation with the Oregon Health
 2 Authority and the State Department of Agriculture, shall establish a program for the purpose of
 3 identifying and certifying private and public researchers of cannabis.

4 (2)(a) The authority shall assist the commission in identifying candidates for certification under
 5 this section with respect to potential medical research.

6 (b) The department shall assist the commission in identifying candidates for certification under
 7 this section with respect to potential agricultural research.

8 (3) Subject to subsection (4) of this section, the commission shall adopt by rule or order:

9 (a) Qualifications for certification under this section;

10 (b) The term of a certificate issued under this section;

11 (c) Processes for applying for, receiving and renewing a certificate under this section;

12 (d) Procedures for tracking marijuana, usable marijuana, cannabinoid products, cannabinoid
 13 concentrates and cannabinoid extracts received by and disposed or otherwise made use of by a
 14 person certified under this section; and

15 (e) Procedures for disposing or otherwise making use of marijuana, usable marijuana,
 16 cannabinoid products, cannabinoid concentrates and cannabinoid extracts.

17 (4) In establishing qualifications under subsection (3) of this section, the commission shall con-
 18 sider the following:

19 (a) A research applicant's access to funding and the overall cost of the proposed research;

20 (b) The overall benefit of an applicant's proposed research to this state's cannabis industry or
 21 to public health and safety; and

22 (c) Legal barriers to conducting the proposed research or legal risks associated with conducting
 23 the proposed research.

24 **(5) In adopting procedures under subsection (3)(d) and (e) of this section with respect to**
 25 **making use of marijuana, usable marijuana, cannabinoid products, cannabinoid concentrates**
 26 **and cannabinoid extracts, the commission shall also adopt procedures by which a person**
 27 **certified under this section may transfer limited amounts of marijuana, usable marijuana,**
 28 **cannabinoid products, cannabinoid concentrates and cannabinoid extracts to another person**
 29 **certified under this section or to a premises for which a license has been issued under ORS**
 30 **475B.070, 475B.090, 475B.100 or 475B.110.**

31 [(5)] (6) A person certified under this section:

32 (a) May receive marijuana, usable marijuana, cannabinoid products, cannabinoid concentrates
 33 and cannabinoid extracts from a licensee or a registrant under ORS 475B.400 to 475B.525; and

34 (b) May not sell or otherwise transfer marijuana, usable marijuana, cannabinoid products,
 35 cannabinoid concentrates or cannabinoid extracts to any other person, except as provided in rules
 36 adopted by the commission under subsection (3)(e) of this section.

37 [(6)] (7) Except as otherwise provided by the commission by rule, rules adopted by the commis-
 38 sion for the purpose of administering and enforcing ORS 475B.010 to 475B.395 with respect to
 39 licensees and licensee representatives apply to persons certified under this section and persons em-
 40 ployed by or who otherwise perform work for persons certified under this section.

41 [(7)] (8) A person who is certified under this section, and an employee of or other person who
 42 performs work for a person certified under this section, is exempt from the criminal laws of this
 43 state for possession, delivery or manufacture of marijuana, aiding and abetting another in the pos-
 44 session, delivery and manufacture of marijuana, or any other criminal offense in which possession,
 45 delivery or manufacture of marijuana is an element, while performing activities related to conduct-

1 ing research as described in this section.

2
3 **WORK PERMITS**

4
5 **SECTION 11a.** ORS 475B.218 is amended to read:

6 475B.218. (1) The Oregon Liquor Control Commission shall issue permits to qualified applicants
7 to perform work described in ORS 475B.215. The commission shall adopt rules establishing:

- 8 (a) The qualifications for performing work described in ORS 475B.215;
9 (b) The term of a permit issued under this section;
10 (c) Procedures for applying for and renewing a permit issued under this section; and
11 (d) Reasonable application, issuance and renewal fees for a permit issued under this section.

12 (2)(a) The commission may require an individual applying for a permit under this section to
13 successfully complete a course, made available by or through the commission, through which the
14 individual receives training on:

- 15 (A) Checking identification;
16 (B) Detecting intoxication;
17 (C) Handling marijuana items;
18 (D) The content of ORS 475B.010 to 475B.395 and rules adopted under ORS 475B.010 to 475B.395;

19 and

- 20 (E) Any matter deemed necessary by the commission to protect the public health and safety.
21 (b) The commission or other provider of the course may charge a reasonable fee for the course.
22 (c) The commission may not require an individual to successfully complete the course more than

23 once, except that:

24 (A) As part of a final order suspending a permit issued under this section, the commission may
25 require a permit holder to successfully complete the course as a condition of lifting the suspension;
26 and

27 (B) As part of a final order revoking a permit issued under this section, the commission shall
28 require an individual to successfully complete the course prior to applying for a new permit.

29 (3) The commission shall conduct a criminal records check under ORS 181A.195 on an individual
30 applying for a permit under this section.

31 (4) Subject to the applicable provisions of ORS chapter 183, the commission may suspend, revoke
32 or refuse to issue or renew a permit if the individual who is applying for or who holds the permit:

33 (a) Is convicted of a felony[,] **or is convicted of an offense under ORS 475.856, 475.858,**
34 **475.860, 475.862 or 475B.010 to 475B.395,** except that the commission may not consider a conviction
35 for [*the manufacture or delivery of marijuana*] **an offense under ORS 475.856, 475.858, 475.860,**
36 **475.862 or 475B.010 to 475B.395** if the date of the conviction is two or more years before the date
37 of the application or renewal;

38 (b) Violates any provision of ORS 475B.010 to 475B.395 or any rule adopted under ORS 475B.010
39 to 475B.395; or

40 (c) Makes a false statement to the commission.

41 (5) A permit issued under this section is a personal privilege and permits work described under
42 ORS 475B.215 only for the individual who holds the permit.

43
44 **DELEGATION OF AUTHORITY**

SECTION 12. Section 13 of this 2016 Act is added to and made a part of ORS 475B.010 to 475B.395.

SECTION 13. Except for the power to adopt rules, the Oregon Liquor Control Commission may delegate to the administrator appointed under ORS 471.720 any of the commission’s functions, duties and powers as prescribed by ORS 475B.010 to 475B.395, 475B.400 to 475B.525, 475B.550 to 475B.590, 475B.600 to 475B.655 and 475B.800 or any other law of the state related to the regulation of marijuana items.

AUTHORIZATION TO REQUIRE FINGERPRINTS

SECTION 13a. (1) Section 13b of this 2016 Act is added to and made a part of ORS 475B.010 to 475B.395.

(2) Section 13c of this 2016 Act is added to and made a part of ORS 475B.550 to 475B.590.

SECTION 13b. For the purpose of requesting a state or nationwide criminal records check under ORS 181A.195, the Oregon Liquor Control Commission may require the fingerprints of any individual listed on an application submitted under ORS 475B.218.

SECTION 13c. For the purpose of requesting a state or nationwide criminal records check under ORS 181A.195, the Oregon Liquor Control Commission may require the fingerprints of any individual listed on an application submitted under ORS 475B.560.

EXEMPTION FROM PUBLIC DISCLOSURE

SECTION 13d. Section 13e of this 2016 Act is added to and made a part of ORS 475B.010 to 475B.395.

SECTION 13e. Information submitted on an application pursuant to ORS 475B.040, and information kept and maintained by the Oregon Liquor Control Commission that is related to a person who holds a license under ORS 475B.070, 475B.090, 475B.100 and 475B.110, is exempt from public disclosure under ORS 192.410 to 192.505.

**EXCESS USABLE MARIJUANA PRODUCED WITHIN
MARIJUANA GROW SITE POSSESSION LIMITS**

SECTION 14. ORS 475B.428 is amended to read:

475B.428. (1) Subject to subsection (2) of this section, a registry identification cardholder and the designated primary caregiver of the registry identification cardholder may jointly possess six or fewer mature marijuana plants.

(2)(a) A person may be designated to produce marijuana under ORS 475B.420 by no more than four registry identification cardholders.

(b) A person who is designated to produce marijuana by a registry identification cardholder may produce no more than six mature marijuana plants per registry identification cardholder.

(c) Pursuant to a personal agreement entered into under ORS 475B.425, a person who is designated to produce marijuana by a registry identification cardholder may provide the seeds of marijuana, immature marijuana plants and usable marijuana to additional registry identification cardholders, to designated primary caregivers for additional registry identification cardholders, to marijuana processing sites and to medical marijuana dispensaries.

1 (3) If the address of a person responsible for a marijuana grow site under ORS 475B.420 is lo-
2 cated within city limits in an area zoned for residential use:

3 (a) Except as provided in paragraph (b) of this subsection, no more than 12 mature marijuana
4 plants may be produced at the address; or

5 (b) Subject to subsection (5) of this section, if each person responsible for a marijuana grow site
6 located at the address first registered with the Oregon Health Authority under ORS 475B.420 before
7 January 1, 2015, no more than the amount of mature marijuana plants located at that address on
8 December 31, 2014, in excess of 12 mature marijuana plants, not to exceed 24 mature marijuana
9 plants, may be produced at the address.

10 (4) If the address of a person responsible for a marijuana grow site under ORS 475B.420 is lo-
11 cated in an area other than an area described in subsection (3) of this section:

12 (a) Except as provided in paragraph (b) of this subsection, no more than 48 mature marijuana
13 plants may be produced at the address; or

14 (b) Subject to subsections (5) and (6) of this section, if each person responsible for a marijuana
15 grow site located at the address first registered with the authority under ORS 475B.420 before
16 January 1, 2015, no more than the amount of mature marijuana plants located at that address on
17 December 31, 2014, in excess of 48 mature marijuana plants, not to exceed 96 mature marijuana
18 plants, may be produced at the address.

19 (5) If the authority suspends or revokes the registration of a person responsible for a marijuana
20 grow site that is located at an address described in subsection (3)(b) or (4)(b) of this section:

21 (a) No more than 12 mature marijuana plants may be subsequently produced at any address
22 described in subsection (3) of this section at which the person responsible for that marijuana grow
23 site produces marijuana.

24 (b) No more than 48 mature marijuana plants may be subsequently produced at any address
25 described in subsection (4) of this section at which the person responsible for that marijuana grow
26 site produces marijuana.

27 (6) If a registry identification cardholder who designated a person to produce marijuana for the
28 registry identification cardholder pursuant to ORS 475B.420 terminates the designation, the person
29 responsible for the marijuana grow site whose designation has been terminated may not be desig-
30 nated to produce marijuana by another registry identification cardholder, except that the person
31 may be designated by another registry identification cardholder if no more than 48 mature
32 marijuana plants are produced at the address for the marijuana grow site at which the person
33 produces marijuana.

34 (7) If a law enforcement officer determines that a registry identification cardholder, the desig-
35 nated primary caregiver of a registry identification cardholder, or a person responsible for a
36 marijuana grow site under ORS 475B.420 who grows marijuana for a registry identification
37 cardholder, possesses a number of mature marijuana plants in excess of the quantities specified in
38 this section, the law enforcement officer may confiscate only the excess number of mature marijuana
39 plants.

40
41 **INVENTORY OF MEDICAL MARIJUANA BUSINESSES**
42 **APPLYING TO BE LICENSED BY**
43 **THE OREGON LIQUOR CONTROL COMMISSION**
44

45 **SECTION 15. Section 16 of this 2016 Act is added to and made a part of ORS 475B.010 to**

1 **475B.395.**

2 **SECTION 16. (1) The Oregon Liquor Control Commission shall adopt by rule procedures**
 3 **by which:**

4 (a) A marijuana grow site registered under ORS 475B.420 that successfully applies for a
 5 license under ORS 475B.070 transitions from being registered by the Oregon Health Authority
 6 to being licensed by the commission;

7 (b) A marijuana processing site registered under ORS 475B.435 that successfully applies
 8 for a license under ORS 475B.090 transitions from being registered by the authority to being
 9 licensed by the commission; and

10 (c) A medical marijuana dispensary registered under ORS 475B.450 that successfully ap-
 11 plies for a license under ORS 475B.110 transitions from being registered by the authority to
 12 being licensed by the commission.

13 (2)(a) In adopting rules under this section, the commission shall adopt, at a minimum,
 14 procedures by which the inventory possessed by a marijuana grow site, a marijuana pro-
 15 cessing site or a medical marijuana dispensary on the date on which the marijuana grow site,
 16 the marijuana processing site or the medical marijuana dispensary is first subject to tracking
 17 by the commission under ORS 475B.150:

18 (A) May be delivered to marijuana processors that hold a license under ORS 475B.090,
 19 marijuana wholesalers that hold a license under ORS 475B.100 or marijuana retailers that
 20 hold a license under ORS 475B.110; or

21 (B) May be sold to consumers by marijuana retailers that hold a license under ORS
 22 475B.110.

23 (b) Procedures adopted under this subsection must require a marijuana grow site that
 24 successfully applies for a license under ORS 475B.070 to return to a person to whom a reg-
 25 istry identification card has been issued under ORS 475B.415, and for whom the marijuana
 26 grow site is producing marijuana and usable marijuana, all the marijuana and usable
 27 marijuana owned by the person, except as otherwise allowed under a personal agreement
 28 entered into under ORS 475B.425.

29
 30 **REQUIREMENT TO MAINTAIN BOND**

31
 32 **SECTION 17. ORS 475B.120 is added to and made a part of ORS 475B.700 to 475B.760.**

33 **SECTION 18. ORS 475B.120 is amended to read:**

34 475B.120. (1) Except as provided in subsection (2) of this section, the [*Oregon Liquor Control*
 35 *Commission*] **Department of Revenue** may require a person that holds a license under ORS
 36 475B.110 to maintain on file with the [*commission*] **department** a bond with a corporate surety au-
 37 thorized to transact business in this state. The bond shall be in a form acceptable to the
 38 [*commission*] **department** and shall be in an amount that the [*commission*] **department** determines
 39 is reasonably affordable and available. The bond is payable to the [*commission*] **department** if the
 40 licensee fails to pay any tax imposed on the sale of marijuana items as required by state law.

41 (2) In lieu of maintaining the bond required by subsection (1) of this section, a person that holds
 42 a license under ORS 475B.110 may deposit in a bank or trust company for the benefit of the [*com-*
 43 *mission*] **department** an equivalent amount in cash, letters of credit recognized by the State
 44 Treasurer or negotiable securities of a character approved by the State Treasurer. Interest earned
 45 on deposited funds or securities shall accrue to the person that made the deposit.

SECTION 19. (1) The amendments to ORS 475B.120 by section 18 of this 2016 Act do not relieve a person that holds a license under ORS 475B.110 of the duty to maintain, pursuant to ORS 475B.120, a bond that the Oregon Liquor Control Commission imposed immediately before the operative date specified in section 60 of this 2016 Act, and the Department of Revenue may enforce the duty to maintain, pursuant to ORS 475B.120, a bond that the commission imposed immediately before the operative date specified in section 60 of this 2016 Act.

(2) Notwithstanding the transfer of duties, functions and powers by the amendments to ORS 475B.120 by section 18 of this 2016 Act, rules adopted by the Oregon Liquor Control Commission for the purpose of implementing ORS 475B.120 that are in effect on the operative date specified in section 60 of this 2016 Act continue in effect until superseded or repealed by rules adopted by the Department of Revenue for the purpose of implementing ORS 475B.120, except that references in those rules to the commission or to an officer or employee of the commission are considered to be references to the department or to an officer or employee of the department.

LOCAL CONTROL

**(Repeal of Ordinances that Prohibit the
Establishment of Marijuana-Related Businesses)**

SECTION 20. (1) The governing body of a city or county may repeal an ordinance that prohibits the establishment of any one or more of the following in the area subject to the jurisdiction of the city or in the unincorporated area subject to the jurisdiction of the county:

- (a) Marijuana processing sites registered under ORS 475B.435;
- (b) Medical marijuana dispensaries registered under ORS 475B.450;
- (c) Marijuana producers licensed under ORS 475B.070;
- (d) Marijuana processors licensed under ORS 475B.090;
- (e) Marijuana wholesalers licensed under ORS 475B.100;
- (f) Marijuana retailers licensed under ORS 475B.110; or
- (g) Any combination of the entities described in this subsection.

(2) If the governing body of a city or county repeals an ordinance under this section, the governing body must provide the text of the ordinance:

- (a) To the Oregon Health Authority, in a form and manner prescribed by the authority, if the ordinance concerns a medical marijuana dispensary registered under ORS 475B.450 or a marijuana processing site registered under ORS 475B.435; or
- (b) To the Oregon Liquor Control Commission, in a form and manner prescribed by the commission, if the ordinance concerns a premises for which a license has been issued under ORS 475B.070, 475B.090, 475B.100 or 475B.110.

**(Effective Date of Opt-In Ordinances
Adopted Pursuant to Referral)**

SECTION 21. ORS 475B.800 is amended to read:

475B.800. (1) The governing body of a city or county may adopt ordinances to be referred to the electors of the city or county as described in subsection (2) of this section that prohibit or allow the

1 establishment of any one or more of the following in the area subject to the jurisdiction of the city
 2 or **in** the unincorporated area subject to the jurisdiction of the county:

- 3 (a) Marijuana processing sites registered under ORS 475B.435;
- 4 (b) Medical marijuana dispensaries registered under ORS 475B.450;
- 5 (c) Marijuana producers licensed under ORS 475B.070;
- 6 (d) Marijuana processors licensed under ORS 475B.090;
- 7 (e) Marijuana wholesalers licensed under ORS 475B.100;
- 8 (f) Marijuana retailers licensed under ORS 475B.110; or
- 9 (g) Any combination of the entities described in this subsection.

10 (2) If the governing body of a city or county adopts an ordinance under this section, the gov-
 11 erning body shall submit the measure of the ordinance to the electors of the city or county for ap-
 12 proval at the next statewide general election.

13 (3) If the governing body of a city or county adopts an ordinance under this section, the gov-
 14 erning body must provide the text of the ordinance:

15 (a) To the Oregon Health Authority, in a form and manner prescribed by the authority, if the
 16 ordinance concerns a medical marijuana dispensary registered under ORS 475B.450 or a marijuana
 17 processing site registered under ORS 475B.435; or

18 (b) To the Oregon Liquor Control Commission, if the ordinance concerns a premises for which
 19 a license has been issued under ORS 475B.070, 475B.090, 475B.100 or 475B.110.

20 (4)(a) Upon receiving notice of a prohibition under subsection (3) of this section, the authority
 21 shall discontinue registering those entities to which the prohibition applies until the date of the next
 22 statewide general election.

23 (b) Upon receiving notice of a prohibition under subsection (3) of this section, the commission
 24 shall discontinue licensing those premises to which the prohibition applies until the date of the next
 25 statewide general election.

26 **(5)(a) If an allowance is approved at the next statewide general election under subsection**
 27 **(2) of this section, and the allowance concerns an entity described in subsection (1)(a) or (b)**
 28 **of this section, the authority shall begin registering the entity to which the allowance applies**
 29 **on the first business day of the January immediately following the date of the statewide**
 30 **general election.**

31 **(b) If an allowance is approved at the next statewide general election under subsection**
 32 **(2) of this section, and the allowance concerns an entity described in subsection (1)(c) to (f)**
 33 **of this section, the commission shall begin licensing the premises to which the allowance**
 34 **applies on the first business day of the January immediately following the date of the next**
 35 **statewide general election.**

36 [(5)] (6) Notwithstanding any other provisions of law, a city or county that adopts an ordinance
 37 under this section that prohibits the establishment of an entity described in subsection (1) of this
 38 section may not impose a tax or fee on the production, processing or sale of marijuana or any
 39 product into which marijuana has been incorporated.

40 [(6)] (7) Notwithstanding subsection (1) of this section, a medical marijuana dispensary is not
 41 subject to an ordinance adopted under this section if the medical marijuana dispensary:

- 42 (a) Is registered under ORS 475B.450 on or before the date on which the governing body adopts
 43 the ordinance; and
- 44 (b) Has successfully completed a city or county land use application process.

45 [(7)] (8) Notwithstanding subsection (1) of this section, a marijuana processing site is not subject

1 to an ordinance adopted under this section if the marijuana processing site:

2 (a) Is registered under ORS 475B.435 on or before the date on which the governing body adopts
3 the ordinance; and

4 (b) Has successfully completed a city or county land use application process.

5
6 **(Intergovernmental Agreements)**
7

8 **SECTION 22.** ORS 305.620 is amended to read:

9 305.620. (1) Any state agency or department may enter into agreements with any political sub-
10 division of this state for the collection, enforcement, administration and distribution of local taxes
11 of the political subdivision imposed upon or measured by gross or net income, wages or net earnings
12 from self-employment, [or] local general sales and use taxes **or taxes imposed under ORS**
13 **475B.345.**

14 (2) The department or agency shall prescribe the rules by which the agreements entered into
15 under subsection (1) of this section are administered.

16 (3) The department or agency shall prescribe the rules by which the taxes described by sub-
17 section (1) of this section are administered, collected, enforced and distributed.

18 (4) A political subdivision may appear as an intervenor at any conference held by the Depart-
19 ment of Revenue or conference, hearing or proceeding held by another department or agency in
20 connection with a local tax administered by the department or agency. The political subdivision may
21 be represented by its own counsel. The department or agency shall adopt rules governing the pro-
22 cedures to be followed by the political subdivision in making an appearance.

23 (5) Costs incurred by the department or agency in the administration, enforcement, collection
24 and distribution of taxes under the agreements entered into under subsection (1) of this section shall
25 be first deducted from the taxes collected before distribution is made to the political subdivision
26 which is a party to the agreement.

27 (6) The Oregon Tax Court shall have exclusive jurisdiction to review determinations of the De-
28 partment of Revenue or orders of another department or agency relating to the collection, enforce-
29 ment, administration and distribution of local taxes under agreements entered into under subsection
30 (1) of this section.

31 (7) A proceeding for refund or to set aside additional taxes or taxes assessed when no return
32 was filed may be initiated before the state agency or department.

33 (8) An appeal from a determination or an order may be taken by the taxpayer or by the political
34 subdivision whose taxes are in issue, by filing a complaint with the clerk of the Oregon Tax Court
35 at its principal office in Salem, Oregon, within 60 days after the notice of the determination of the
36 Department of Revenue or the order of the department or agency is sent to the taxpayer or the
37 political subdivision. The filing of the complaint in the Oregon Tax Court shall constitute perfection
38 of the appeal. Service of the taxpayer's complaint shall be accomplished by the clerk of the tax
39 court by filing a copy of the complaint with the administrative head of the department or agency
40 and a copy with the political subdivision. Service of the political subdivision's complaint shall be
41 accomplished by the clerk of the tax court by filing a copy of the complaint with the administrative
42 head of the department or agency and mailing a copy of the complaint to the taxpayer. The com-
43 plaint of a taxpayer shall be entitled in the name of the person filing as plaintiff and the department
44 or agency as defendant. The complaint of a political subdivision shall be entitled in the name of the
45 political subdivision as plaintiff and the taxpayer and the department or agency as defendants. A

1 copy of the order of the department or agency shall be attached to the complaint. All procedures
2 shall be in accordance with ORS 305.405 to 305.494.

3
4 **(Personal Use and Possession)**

5
6 **SECTION 23.** (1) As used in this section, “designated primary caregiver,” “immature
7 marijuana plant,” “marijuana,” “medical cannabinoid product” and “registry identification
8 cardholder” have the meanings given those terms in ORS 475B.410.

9 (2) A city or county may not adopt an ordinance, by referral or otherwise, that prohibits
10 or otherwise limits:

11 (a) The privileges described in ORS 475B.245; or

12 (b) The right of a registry identification cardholder and the designated primary caregiver
13 of a registry identification cardholder to:

14 (A) Possess the seeds of marijuana, immature marijuana plants or medical cannabinoid
15 products as described in ORS 475B.400 to 475B.525;

16 (B) Jointly possess up to six mature marijuana plants under ORS 475B.428 (1); or

17 (C) Jointly possess up to 24 ounces of usable marijuana under ORS 475B.430 (1).

18
19 **AGREEMENTS WITH FEDERALLY RECOGNIZED INDIAN TRIBES**

20
21 **SECTION 23a.** Section 23b of this 2016 Act is added to and made a part of ORS 475B.010
22 to 475B.395.

23 **SECTION 23b.** (1) The Governor, or the Governor’s designee, may enter into an agree-
24 ment with the governing body of a federally recognized Indian tribe located in this state for
25 the purpose of cross-jurisdictional coordination and enforcement of marijuana-related busi-
26 nesses licensed to conduct business on tribal trust land by the governing body.

27 (2) An agreement entered into under this section:

28 (a) Must provide for the cross-jurisdictional coordination and enforcement of marijuana
29 producers, marijuana processors, marijuana wholesalers, marijuana retailers and marijuana
30 testing laboratories licensed by the governing body of the federally recognized Indian tribe.

31 (b) Must require the governing body of the federally recognized Indian tribe to impose
32 the same or similar requirements on marijuana producers, marijuana processors, marijuana
33 wholesalers, marijuana retailers and marijuana testing laboratories that:

34 (A) ORS 475B.010 to 475B.395, and rules adopted under ORS 475B.010 to 475B.395, impose
35 on persons who hold a license under ORS 475B.070, 475B.090, 475B.100 and 475B.110;

36 (B) ORS 475B.550 to 475B.590, and rules adopted under ORS 475B.550 to 475B.590, impose
37 on persons who hold a license under ORS 475B.070, 475B.090, 475B.100, 475B.110 and 475B.560;
38 and

39 (C) ORS 475B.600 to 475B.655, and rules adopted under ORS 475B.600 to 475B.655, impose
40 on persons who hold a license under ORS 475B.070, 475B.090, 475B.100 and 475B.110.

41 (c) May authorize an agency of this state to assist in the implementation and enforce-
42 ment of the terms of the agreement.

43
44 **CRIMES**

45 **(Home Use and Possession)**

SECTION 24. ORS 475B.245 is amended to read:

475B.245. ORS 475B.025, **475B.030**, 475B.033, 475B.035, 475B.040, 475B.045, **475B.050**, 475B.055, 475B.060, **475B.063**, 475B.065, 475B.068, 475B.070, **475B.075**, **475B.080**, 475B.090, 475B.100, 475B.110, **475B.115**, **475B.125**, 475B.130, **475B.135**, **475B.140**, **475B.145**, **475B.150**, 475B.160, 475B.165, 475B.170, **475B.180**, **475B.190**, **475B.195**, **475B.200**, **475B.205**, 475B.210, **475B.215**, **475B.218**, **475B.230**, **475B.233**, **475B.235**, **475B.240**, [475B.265,] 475B.325, 475B.330, 475B.335, **475B.340**, **475B.345**, 475B.350, 475B.353, 475B.355, 475B.358, **475B.360**, **475B.365**, **475B.370** and [475B.380] **475B.373** do not apply:

(1) To the production[, *processing or storage*] of homegrown marijuana at a household by one or more persons 21 years of age and older, if the total amount of homegrown marijuana at the household does not exceed four marijuana plants [*and eight ounces of usable marijuana*] at any time.

(2) To the possession or storage of usable marijuana items at a household by one or more persons 21 years of age or older, if the total amount of usable marijuana at the household does not exceed eight ounces of usable marijuana at any time.

[(2)] (3) To the making, processing, **possession** or storage of [*homemade*] cannabinoid products at a household by one or more persons 21 years of age and older, if the total amount of [*homemade*] cannabinoid products at the household does not exceed 16 ounces in solid form at any time.

[(3)] (4) To the making, processing, **possession** or storage of [*homemade*] cannabinoid products at a household by one or more persons 21 years of age and older, if the total amount of [*homemade*] cannabinoid products at the household does not exceed 72 ounces in liquid form at any time.

[(4)] (5) To the making, processing, **possession** or storage of [*homemade*] cannabinoid concentrates at a household by one or more persons 21 years of age or older, if the total amount of [*homemade*] cannabinoid concentrates at the household does not exceed 16 ounces at any time.

(6) To the possession of cannabinoid extracts at a household by one or more persons 21 years of age or older, if the cannabinoid extracts were purchased from a marijuana retailer that holds a license under ORS 475B.110, or transferred by a medical marijuana dispensary registered by the Oregon Health Authority under ORS 475B.450, and the total amount of cannabinoid extracts at the household does not exceed one ounce at any time.

[(5)] (7) To the delivery of not more than one ounce of [*homegrown*] **usable** marijuana at a time by a person 21 years of age or older to another person 21 years of age or older for noncommercial purposes.

[(6)] (8) To the delivery of not more than 16 ounces of [*homemade*] cannabinoid products in solid form at a time by a person 21 years of age or older to another person 21 years of age or older for noncommercial purposes.

[(7)] (9) To the delivery of not more than 72 ounces of [*homemade*] cannabinoid products in liquid form at a time by a person 21 years of age or older to another person 21 years of age or older for noncommercial purposes.

[(8)] (10) To the delivery of not more than 16 ounces of cannabinoid concentrates at a time by a person 21 years of age or older to another person 21 years of age or older for noncommercial purposes.

SECTION 25. ORS 475B.250 is amended to read:

475B.250. (1) A person may not produce, process, **possess** or store homegrown marijuana, [*or homemade*] cannabinoid products or cannabinoid concentrates if the homegrown marijuana, [*or*

1 *homemade*] cannabinoid products or cannabinoid concentrates can be [*readily*] seen by normal un-
2 aided vision from a public place.

3 **(2) A person may not possess or store a cannabinoid extract if the cannabinoid extract**
4 **can be seen by normal unaided vision from a public place.**

5 [(2)] (3) A violation of subsection (1) or (2) of this section is a Class B violation.

6 **SECTION 26.** ORS 475B.255 is amended to read:

7 475B.255. A person **other than a person that holds a license under ORS 475B.090** may not
8 [*produce,*] process [*or store homemade*] cannabinoid extracts.

9
10 **(Importing and Exporting)**

11
12 **SECTION 27.** ORS 475B.185 is amended to read:

13 475B.185. (1) A [*licensee or licensee representative*] **person** may not import marijuana items into
14 this state or export marijuana items from this state.

15 **(2) Except as provided in subsection (3) of this section, a violation of this section is a**
16 **Class B violation.**

17 [(2)] (3) A violation of [*subsection (1) of*] this section is a:

18 (a) Class C felony, if the importation or exportation:

19 **(A) Is for consideration[; or] and the person holds a license under ORS 475B.070, 475B.090,**
20 **475B.100 or 475B.110; or**

21 **(B) Concerns usable marijuana and the importation or exportation exceeds 16 ounces of**
22 **usable marijuana.**

23 (b) Class A misdemeanor, if the importation or exportation:

24 **(A) Is not for consideration[.] and the person holds a license under ORS 475B.070, 475B.090,**
25 **475B.100 or 475B.110; or**

26 **(B) Concerns usable marijuana and the importation or exportation exceeds one ounce of**
27 **usable marijuana.**

28
29 **(Uniform Controlled Substances Act)**

30
31 **SECTION 28.** Sections 29 and 34a of this 2016 Act are added to and made a part of ORS
32 475.752 to 475.980.

33 **SECTION 29.** As used in ORS 475.856, 475.858, 475.860, 475.862 and 475.864 and section 34a
34 of this 2016 Act, “cannabinoid concentrate,” “cannabinoid extract,” “cannabinoid product,”
35 “homegrown,” “licensee,” “licensee representative,” “marijuana,” “marijuana retailer,”
36 “public place” and “usable marijuana” have the meanings given those terms in ORS 475B.015.

37 **SECTION 30.** ORS 475.856 is amended to read:

38 475.856. [(1) As used in this section, “homegrown,” “household,” “license” and “licensee represen-
39 tative” have the meanings given those terms in ORS 475B.015.]

40 [(2)] (1) Except for licensees and licensee representatives that are engaged in lawful activities,
41 and except for a person acting within the scope of and in compliance with ORS 475B.245, it is un-
42 lawful for any person to manufacture marijuana.

43 [(3)] (2) Unlawful manufacture of marijuana is a Class C felony.

44 [(4)] (3) Notwithstanding subsection [(3)] (2) of this section, unlawful manufacture of marijuana
45 is a:

1 (a) Class B misdemeanor, if a person 21 years of age or older manufactures homegrown
2 marijuana at a household and the total number of homegrown marijuana plants at the household
3 exceeds four marijuana plants but does not exceed eight marijuana plants.

4 (b) **Class B felony, if a person manufactures a cannabinoid extract.**

5 **SECTION 31.** ORS 475.858 is amended to read:

6 475.858. (1) **Except for licensees and licensee representatives that are engaged in lawful**
7 **activities, and except for a person acting within the scope of and in compliance with ORS**
8 **475B.245,** it is unlawful for any person to manufacture marijuana within 1,000 feet of the real
9 property comprising a public or private elementary, secondary or career school attended primarily
10 by minors.

11 (2) Unlawful manufacture of marijuana within 1,000 feet of a school is a Class [A] C felony.

12 [(3) *This section does not apply to:*]

13 [(a) *A licensee or licensee representative, as those terms are defined in ORS 475B.015, that is en-*
14 *gaged in lawful activities; or]*

15 [(b) *A person acting within the scope of and in compliance with ORS 475B.245.*]

16 (3) **Notwithstanding subsection (2) of this section, unlawful manufacture of marijuana**
17 **within 1,000 feet of a school is a:**

18 (a) **Class B felony, if a person manufactures homegrown marijuana at a household and**
19 **the total number of homegrown marijuana plants at the household exceeds eight marijuana**
20 **plants.**

21 (b) **Class A felony, if a person manufactures a cannabinoid extract.**

22 **SECTION 32.** ORS 475.860 is amended to read:

23 475.860. (1) Except for licensees and licensee representatives[, *as those terms are defined in ORS*
24 *475B.015,*] that are engaged in lawful activities, and except for a person acting within the scope of
25 and in compliance with ORS 475B.245, it is unlawful for any person to deliver marijuana.

26 (2) Unlawful delivery of marijuana is a Class A misdemeanor.

27 (3) Notwithstanding subsection (2) of this section, unlawful delivery of marijuana is a **Class C**
28 **felony, if:**

29 (a) **A person who is at least 21 years of age delivers the marijuana to a person who is**
30 **under 18 years of age.**

31 (b) **A person delivers marijuana extracts that were not purchased from a marijuana**
32 **retailer that holds a license under ORS 475B.110.**

33 [(a) *Class A violation, if the delivery is for no consideration and consists of less than one*
34 *avoirdupois ounce of the dried leaves, stems and flowers of the plant Cannabis family Moraceae; or]*

35 [(b) *Violation, if the delivery is for no consideration and consists of less than five grams of the*
36 *dried leaves, stems and flowers of the plant Cannabis family Moraceae. A violation under this para-*
37 *graph is a specific fine violation. The presumptive fine for a violation under this paragraph is \$650.*]

38 [(4) *Notwithstanding subsections (2) and (3) of this section, unlawful delivery of marijuana is a*
39 *Class C felony, if the delivery is to a person under 18 years of age and the defendant is at least 21*
40 *years of age.*]

41 **SECTION 33.** ORS 475.862 is amended to read:

42 475.862. (1) **Except for licensees and licensee representatives that are engaged in lawful**
43 **activities, and except for a person acting within the scope of and in compliance with ORS**
44 **475B.245,** it is unlawful for any person to deliver marijuana within 1,000 feet of the real property
45 comprising a public or private elementary, secondary or career school attended primarily by minors.

1 (2) Unlawful delivery of marijuana within 1,000 feet of a school is a Class [A] C felony.

2 [(3) This section does not apply to:]

3 [(a) A licensee or licensee representative, as those terms are defined in ORS 475B.015, that is en-
4 gaged in lawful activities; or]

5 [(b) A person acting within the scope of and in compliance with ORS 475B.245.]

6 **(3) Notwithstanding subsection (2) of this section, unlawful delivery of marijuana within
7 1,000 feet of a school is a:**

8 **(a) Class A felony, if a person who is at least 21 years of age delivers the marijuana to
9 a person who is under 18 years of age.**

10 **(b) Class B felony, if a person delivers marijuana extracts that were not purchased from
11 a marijuana retailer that holds a license under ORS 475B.110.**

12 **(c) Class A misdemeanor, if a person who is under 18 years of age delivers the marijuana
13 for no consideration to a person who is under 18 years of age.**

14 **SECTION 34.** ORS 475.864 is amended to read:

15 475.864. [(1) As used in subsections (2) to (4) of this section:]

16 [(a) "Marijuana" means the leaves, stems and flowers of the plant *Cannabis* family *Moraceae*.]

17 [(b) "Marijuana product" has the meaning given the term "marijuana" in ORS 475.005 (16), but
18 does not include the leaves, stems and flowers of the plant *Cannabis* family *Moraceae*.]

19 [(2) It is unlawful for any person under 21 years of age knowingly or intentionally to possess
20 marijuana or marijuana product.]

21 [(3)(a) Unlawful possession of more than eight avoirdupois ounces of marijuana by a person under
22 21 years of age is a Class A misdemeanor.]

23 [(b) Unlawful possession of more than one avoirdupois ounce of marijuana, but less than eight
24 avoirdupois ounces, by a person under 21 years of age is a Class B misdemeanor.]

25 [(c) Unlawful possession of one avoirdupois ounce or less of marijuana by a person under 21 years
26 of age is a specific fine violation. The presumptive fine for a violation under this paragraph is \$650.]

27 [(4)(a) Unlawful possession of more than 16 avoirdupois ounces of marijuana product in a solid
28 form or more than 72 ounces of marijuana product in a liquid form by a person under 21 years of age
29 is a Class A misdemeanor.]

30 [(b) Unlawful possession of 16 avoirdupois ounces or less of marijuana product in a solid form or
31 72 ounces or less of marijuana product in a liquid form by a person under 21 years of age is a Class
32 B misdemeanor.]

33 [(5) As used in subsections (6) to (8) of this section, "cannabinoid concentrate," "cannabinoid ex-
34 tract," "cannabinoid product," "licensee," "licensee representative," "marijuana," "marijuana retailer,"
35 "public place" and "usable marijuana" have the meanings given those terms in ORS 475B.015.]

36 [(6)] (1) Except for licensees and licensee representatives acting in accordance with ORS
37 475B.010 to 475B.395, and any rule adopted under ORS 475B.010 to 475B.395, it is unlawful for any
38 person 21 years of age or older knowingly or intentionally to possess:

39 (a) More than one ounce of usable marijuana in a public place.

40 (b) More than eight ounces of usable marijuana.

41 (c) More than 16 ounces of cannabinoid products in solid form or cannabinoid concentrates.

42 (d) More than 72 ounces of cannabinoid products in liquid form.

43 (e) More than one ounce of cannabinoid extracts.

44 (f) A cannabinoid extract that was not purchased from a marijuana retailer that holds a license
45 under ORS 475B.110.

1 [(7)] (2) A violation of subsection [(6)(a)] (1)(a) to (e) of this section is a:

2 (a) Class A misdemeanor, if the amount possessed is more than four times the applicable maxi-
 3 mum amount specified in subsection [(6)(a)] (1)(a) to (e) of this section;

4 (b) Class B misdemeanor, if the amount possessed is more than two times, but not more than
 5 four times, the applicable maximum amount specified in subsection [(6)(a)] (1)(a) to (e) of this sec-
 6 tion; or

7 (c) Class B violation, if the amount possessed is not more than two times the applicable maxi-
 8 mum amount specified in subsection [(6)(a)] (1)(a) to (e) of this section.

9 [(8)] (4) A violation of subsection [(6)(f)] (1)(f) of this section is a[:] **Class C felony.**

10 [(a) *Class C felony, if the amount possessed is more than one-quarter ounce of the cannabinoid*
 11 *extract; or*]

12 [(b) *Class B misdemeanor, if the amount possessed is not more than one-quarter ounce of the*
 13 *cannabinoid extract.*]

14 **SECTION 34a.** (1) **Except for licensees and licensee representatives acting in accordance**
 15 **with ORS 475B.010 to 475B.395, and any rule adopted under ORS 475B.010 to 475B.395, it is**
 16 **unlawful for any person under 21 years of age to knowingly or intentionally possess:**

17 (a) **More than one ounce of usable marijuana in a public place.**

18 (b) **More than eight ounces of usable marijuana.**

19 (c) **More than 16 ounces of cannabinoid products in solid form or cannabinoid concen-**
 20 **trates.**

21 (d) **More than 72 ounces of cannabinoid products in liquid form.**

22 (e) **More than one ounce of cannabinoid extracts.**

23 (f) **A cannabinoid extract that was not purchased from a marijuana retailer that holds a**
 24 **license under ORS 475B.110.**

25 (2) **A violation of this section is a Class A misdemeanor.**

26
 27 (Open Container Law)

28
 29 **SECTION 35.** Section 36 of this 2016 Act is added to and made a part of the Oregon Ve-
 30 hicle Code.

31 **SECTION 36.** (1) As used in this section, “marijuana item” has the meaning given that
 32 term in ORS 475B.015.

33 (2) **A person commits the offense of having an open container of marijuana in a motor**
 34 **vehicle if the person does any of the following:**

35 (a) **Consumes in any manner a marijuana item in a motor vehicle when the motor vehicle**
 36 **is upon a highway.**

37 (b) **Possesses on one’s person, while in a motor vehicle upon a highway:**

38 (A) **A receptacle that contains a marijuana item that is unsealed or a receptacle that**
 39 **contains a marijuana item, the contents of which are partially removed; or**

40 (B) **An accessory used to consume a marijuana item that contains any amount of the**
 41 **marijuana item.**

42 (c) **Subject to subsection (4) of this section, keeps in a motor vehicle when the motor**
 43 **vehicle is upon a highway:**

44 (A) **A receptacle that contains a marijuana item that is unsealed or a receptacle that**
 45 **contains a marijuana item, the contents of which are partially removed; or**

1 (B) An accessory used to consume a marijuana item that contains any amount of the
2 marijuana item.

3 (3) Subsection (2) of this section does not apply to passengers in a motor vehicle that is
4 operated by a common carrier and used primarily to carry passengers for hire.

5 (4) Subsection (2)(c) of this section:

6 (a) Applies only to the registered owner of the motor vehicle or, if the registered owner
7 of the motor vehicle is not present in the motor vehicle, to the driver of the motor vehicle.

8 (b) Does not apply if the receptacle is kept in the trunk of the motor vehicle or, if the
9 motor vehicle does not have a trunk, is kept in some other area of the motor vehicle not
10 normally occupied or directly accessible by the driver or passengers of the motor vehicle.
11 For purposes of this paragraph, a utility compartment or glove compartment is an area of
12 a motor vehicle normally occupied or directly accessible by the driver or passengers of the
13 motor vehicle.

14 (c) Does not apply to the living quarters of a camper or motor home.

15 (5) The offense of having an open container of marijuana in a motor vehicle is a Class
16 A traffic violation.

17
18 **POST-PRISON SUPERVISION AND PAROLE**

19
20 **SECTION 37.** Section 38 of this 2016 Act is added to and made a part of ORS chapter 144.

21 **SECTION 38.** (1) As used in this section, “cannabinoid concentrates,” “cannabinoid ex-
22 tracts,” “medical cannabinoid products,” “registry identification card” and “usable
23 marijuana” have the meanings given those terms in ORS 475B.410.

24 (2) Notwithstanding ORS 144.102 and 144.270, the State Board of Parole and Post-Prison
25 Supervision may not condition the post-prison supervision or parole of a person who is to
26 be released from prison or jail or paroled on the person refraining from the use of usable
27 marijuana, medical cannabinoid products, cannabinoid concentrates or cannabinoid extracts
28 if the person holds a valid registry identification card.

29
30 **TECHNICAL CHANGES AND CONFORMING AMENDMENTS**

31 **(Operative March 1, 2016)**

32
33 **SECTION 39.** ORS 90.396 is amended to read:

34 90.396. (1) Except as provided in subsection (2) of this section, after at least 24 hours’ written
35 notice specifying the acts and omissions constituting the cause and specifying the date and time of
36 the termination, the landlord may terminate the rental agreement and take possession as provided
37 in ORS 105.105 to 105.168, if:

38 (a) The tenant, someone in the tenant’s control or the tenant’s pet seriously threatens to inflict
39 substantial personal injury, or inflicts any substantial personal injury, upon a person on the prem-
40 ises other than the tenant;

41 (b) The tenant or someone in the tenant’s control recklessly endangers a person on the premises
42 other than the tenant by creating a serious risk of substantial personal injury;

43 (c) The tenant, someone in the tenant’s control or the tenant’s pet inflicts any substantial per-
44 sonal injury upon a neighbor living in the immediate vicinity of the premises;

45 (d) The tenant or someone in the tenant’s control intentionally inflicts any substantial damage

1 to the premises or the tenant’s pet inflicts substantial damage to the premises on more than one
 2 occasion;

3 (e)(A) The tenant intentionally provided substantial false information on the application for the
 4 tenancy within the past year;

5 (B) The false information was with regard to a criminal conviction of the tenant that would have
 6 been material to the landlord’s acceptance of the application; and

7 (C) The landlord terminates the rental agreement within 30 days after discovering the falsity
 8 of the information; or

9 (f) The tenant, someone in the tenant’s control or the tenant’s pet commits any act that is out-
 10 rageous in the extreme, on the premises or in the immediate vicinity of the premises. For purposes
 11 of this paragraph, an act is outrageous in the extreme if the act is not described in paragraphs (a)
 12 to (e) of this subsection, but is similar in degree and is one that a reasonable person in that com-
 13 munity would consider to be so offensive as to warrant termination of the tenancy within 24 hours,
 14 considering the seriousness of the act or the risk to others. An act that is outrageous in the extreme
 15 is more extreme or serious than an act that warrants a 30-day termination under ORS 90.392. Acts
 16 that are “outrageous in the extreme” include, but are not limited to, the following acts by a person:

17 (A) Prostitution, commercial sexual solicitation or promoting prostitution, as described in ORS
 18 167.007, 167.008 and 167.012;

19 (B) Manufacture, delivery or possession of a controlled substance, as described in ORS 475.005,
 20 but not including:

21 (i) The medical use of marijuana in compliance with ORS 475B.400 to 475B.525; **or**

22 [(ii) Possession of, or delivery for no consideration of, less than one avoirdupois ounce of
 23 marijuana as described in ORS 475.860 (3) or 475.864 (3); or]

24 [(iii)] (ii) Possession of prescription drugs;

25 (C) Intimidation, as described in ORS 166.155 and 166.165; or

26 (D) Burglary as described in ORS 164.215 and 164.225.

27 (2) If the cause for a termination notice given pursuant to subsection (1) of this section is based
 28 upon the acts of the tenant’s pet, the tenant may cure the cause and avoid termination of the
 29 tenancy by removing the pet from the premises prior to the end of the notice period. The notice
 30 must describe the right of the tenant to cure the cause. If the tenant returns the pet to the premises
 31 at any time after having cured the violation, the landlord, after at least 24 hours’ written notice
 32 specifying the subsequent presence of the offending pet, may terminate the rental agreement and
 33 take possession as provided in ORS 105.105 to 105.168. The tenant does not have a right to cure this
 34 subsequent violation.

35 (3) For purposes of subsection (1) of this section, someone is in the tenant’s control if that per-
 36 son enters or remains on the premises with the tenant’s permission or consent after the tenant
 37 reasonably knows or should know of that person’s act or likelihood to commit any act of the type
 38 described in subsection (1) of this section.

39 (4) An act can be proven to be outrageous in the extreme even if the act is one that does not
 40 violate a criminal statute. Notwithstanding the references to criminal statutes in subsection (1)(f)
 41 of this section, the landlord’s burden of proof in an action for possession under subsection (1) of this
 42 section is the civil standard of proof by a preponderance of the evidence.

43 (5) If a good faith effort by a landlord to terminate the tenancy under subsection (1)(f) of this
 44 section and to recover possession of the rental unit under ORS 105.105 to 105.168 fails by decision
 45 of the court, the landlord may not be found in violation of any state statute or local ordinance re-

1 quiring the landlord to remove that tenant upon threat of fine, abatement or forfeiture as long as
 2 the landlord continues to make a good faith effort to terminate the tenancy.

3 **SECTION 40.** ORS 419C.239 is amended to read:

4 419C.239. (1) A formal accountability agreement shall:

5 (a) Be completed within a period of time not to exceed one year;

6 (b) Be voluntarily entered into by all parties;

7 (c) Be revocable by the youth at any time by a written revocation;

8 (d) Be revocable by the juvenile department in the event the department has reasonable cause
 9 to believe the youth has failed to carry out the terms of the formal accountability agreement or has
 10 committed a subsequent offense;

11 (e) Not be used as evidence against the youth at any adjudicatory hearing;

12 (f) Be executed in writing and expressed in language understandable to the persons involved;

13 (g) Be signed by the juvenile department, the youth, the youth's parent or parents or legal
 14 guardian, and the youth's counsel, if any;

15 (h) Become part of the youth's juvenile department record; and

16 (i) When the youth has been charged with having committed the youth's first violation of a
 17 provision under ORS 475.860 [(3)(b) or 475.864 (3)(c)] and unless the juvenile department determines
 18 that it would be inappropriate in the particular case:

19 (A) Require the youth to participate in a diagnostic assessment and an information or treatment
 20 program as recommended by the assessment. The agencies or organizations providing assessment or
 21 programs of information or treatment must be the same as those designated by the court under ORS
 22 419C.443 (1) and must meet the standards set by the Director of the Oregon Health Authority. The
 23 parent of the youth shall pay the cost of the youth's participation in the program based upon the
 24 ability of the parent to pay.

25 (B) Monitor the youth's progress in the program which shall be the responsibility of the diag-
 26 nostic assessment agency or organization. It shall make a report to the juvenile department stating
 27 the youth's successful completion or failure to complete all or any part of the program specified by
 28 the diagnostic assessment. The form of the report shall be determined by agreement between the
 29 juvenile department and the diagnostic assessment agency or organization. The juvenile department
 30 shall make the report a part of the record of the case.

31 (2) Notwithstanding any other provision of law, the following information contained in a formal
 32 accountability agreement under ORS 419C.230 is not confidential and is not exempt from disclosure:

33 (a) The name and date of birth of the youth;

34 (b) The act alleged; and

35 (c) The portion of the agreement providing for the disposition of the youth.

36 **SECTION 41.** ORS 419C.420 is amended to read:

37 419C.420. If a youth is cited or summoned for a violation under ORS 471.430[,] **or** 475.860 [(3)
 38 or 475.864 (3)(c)] and fails to appear, the court may adjudicate the citation or petition and enter a
 39 disposition without a hearing.

40 **SECTION 42.** ORS 419C.443 is amended to read:

41 419C.443. (1) Except when otherwise provided in subsection (3) of this section, when a youth
 42 offender has been found to be within the jurisdiction of the court under ORS 419C.005 for a first
 43 violation of the provisions under ORS 475.860 [(3)(b) or 475.864 (3)(c)], the court shall order an
 44 evaluation and designate agencies or organizations to perform diagnostic assessment and provide
 45 programs of information and treatment. The designated agencies or organizations must meet the

1 standards set by the Director of the Oregon Health Authority. Whenever possible, the court shall
 2 designate agencies or organizations to perform the diagnostic assessment that are separate from
 3 those that may be designated to carry out a program of information or treatment. The parent of the
 4 youth offender shall pay the cost of the youth offender's participation in the program based upon
 5 the ability of the parent to pay. The petition shall be dismissed by the court upon written certi-
 6 fication of the youth offender's successful completion of the program from the designated agency or
 7 organization providing the information and treatment.

8 (2) Monitoring the youth offender's progress in the program shall be the responsibility of the
 9 diagnostic assessment agency or organization. The agency or organization shall make a report to the
 10 court stating the youth offender's successful completion or failure to complete all or any part of the
 11 program specified by the diagnostic assessment. The form of the report shall be determined by
 12 agreement between the court and the diagnostic assessment agency or organization. The court shall
 13 make the report a part of the record of the case.

14 (3) The court is not required to make the disposition required by subsection (1) of this section
 15 if the court determines that the disposition is inappropriate in the case or if the court finds that the
 16 youth offender has previously entered into a formal accountability agreement under ORS 419C.239
 17 (1)(i).

18 **SECTION 42a.** ORS 475.245 is amended to read:

19 475.245. (1) Whenever any person pleads guilty to or is found guilty of an offense listed in sub-
 20 section (5) of this section, the court, without entering a judgment of guilt and with the consent of
 21 the district attorney and the person, may defer further proceedings and place the person on pro-
 22 bation.

23 (2) Upon violation of a term or condition of probation, the court may enter an adjudication of
 24 guilt and proceed as otherwise provided.

25 (3) Upon fulfillment of the terms and conditions of probation, the court shall discharge the per-
 26 son and dismiss the proceedings against the person. Discharge and dismissal under this section shall
 27 be without adjudication of guilt and is not a conviction for purposes of this section or for purposes
 28 of disqualifications or disabilities imposed by law upon conviction of a crime. There may be only one
 29 discharge and dismissal under this section with respect to any person.

30 (4) In the event that the period of probation under this section expires, but the terms and con-
 31 ditions of probation have not been fulfilled and no probation violation proceeding was initiated prior
 32 to the expiration of the period of probation, the court may not discharge the person and dismiss the
 33 proceedings against the person. The court shall instead issue an order requiring the person to ap-
 34 pear and to show cause why the court should not enter an adjudication of guilt as described in
 35 subsection (2) of this section due to the failure of the person to fulfill the terms and conditions of
 36 probation prior to expiration of the period of probation. At the hearing on the order to show cause,
 37 after considering any evidence or argument from the district attorney and the person, the court may:

38 (a) Order a new period of probation to allow the person to fulfill the terms and conditions of the
 39 previous period of probation; or

40 (b) Enter an adjudication of guilt as described in subsection (2) of this section.

41 (5) This section applies to the following offenses:

42 (a) Possession of a controlled substance under ORS 475.752 (3), 475.814, 475.824, 475.834, 475.854,
 43 475.864, 475.874, 475.884 or 475.894 **or section 34a of this 2016 Act;**

44 (b) Unlawfully possessing a prescription drug under ORS 689.527 (6);

45 (c) Endangering the welfare of a minor under ORS 163.575 (1)(b);

1 (d) Frequenting a place where controlled substances are used under ORS 167.222; and

2 (e) A property offense that is motivated by a dependence on a controlled substance.

3 **SECTION 42b.** ORS 475.752 is amended to read:

4 475.752. (1) Except for licensees and licensee representatives, as those terms are defined in ORS
5 475B.015, that are engaged in lawful activities, and except for a person acting within the scope of
6 and in compliance with ORS 475B.245, and except as authorized by ORS 475.005 to 475.285 and
7 475.752 to 475.980, it is unlawful for any person to manufacture or deliver a controlled substance.
8 Any person who violates this subsection with respect to:

9 (a) A controlled substance in Schedule I, is guilty of a Class A felony, except as otherwise pro-
10 vided in ORS 475.886 and 475.890.

11 (b) A controlled substance in Schedule II, is guilty of a Class B felony, except as otherwise
12 provided in ORS 475.858, 475.860, 475.862, 475.878, 475.880, 475.882, 475.904 and 475.906.

13 (c) A controlled substance in Schedule III, is guilty of a Class C felony, except as otherwise
14 provided in ORS 475.904 and 475.906.

15 (d) A controlled substance in Schedule IV, is guilty of a Class B misdemeanor.

16 (e) A controlled substance in Schedule V, is guilty of a Class C misdemeanor.

17 (2) Except as authorized in ORS 475.005 to 475.285 and 475.752 to 475.980, it is unlawful for any
18 person to create or deliver a counterfeit substance. Any person who violates this subsection with
19 respect to:

20 (a) A counterfeit substance in Schedule I, is guilty of a Class A felony.

21 (b) A counterfeit substance in Schedule II, is guilty of a Class B felony.

22 (c) A counterfeit substance in Schedule III, is guilty of a Class C felony.

23 (d) A counterfeit substance in Schedule IV, is guilty of a Class B misdemeanor.

24 (e) A counterfeit substance in Schedule V, is guilty of a Class C misdemeanor.

25 (3) It is unlawful for any person knowingly or intentionally to possess a controlled substance,
26 other than marijuana, unless the substance was obtained directly from, or pursuant to a valid pre-
27 scription or order of, a practitioner while acting in the course of professional practice, or except
28 as otherwise authorized by ORS 475.005 to 475.285 and 475.752 to 475.980. Any person who violates
29 this subsection with respect to:

30 (a) A controlled substance in Schedule I, is guilty of a Class B felony, except as otherwise pro-
31 vided in ORS 475.894.

32 (b) A controlled substance in Schedule II, is guilty of a Class C felony, except as otherwise
33 provided in ORS 475.864 **or section 34a of this 2016 Act.**

34 (c) A controlled substance in Schedule III, is guilty of a Class A misdemeanor.

35 (d) A controlled substance in Schedule IV, is guilty of a Class C misdemeanor.

36 (e) A controlled substance in Schedule V, is guilty of a violation.

37 (4) In any prosecution under this section for manufacture, possession or delivery of that plant
38 of the genus *Lophophora* commonly known as peyote, it is an affirmative defense that the peyote is
39 being used or is intended for use:

40 (a) In connection with the good faith practice of a religious belief;

41 (b) As directly associated with a religious practice; and

42 (c) In a manner that is not dangerous to the health of the user or others who are in the prox-
43 imity of the user.

44 (5) The affirmative defense created in subsection (4) of this section is not available to any person
45 who has possessed or delivered the peyote while incarcerated in a correctional facility in this state.

1 (6)(a) Notwithstanding subsection (1) of this section, a person who unlawfully manufactures or
 2 delivers a controlled substance in Schedule IV and who thereby causes death to another person is
 3 guilty of a Class C felony.

4 (b) For purposes of this subsection, causation is established when the controlled substance plays
 5 a substantial role in the death of the other person.

6 **SECTION 42c.** ORS 475.898 is amended to read:

7 475.898. (1) A person who contacts emergency medical services or a law enforcement agency to
 8 obtain medical assistance for another person who needs medical assistance due to a drug-related
 9 overdose is immune from arrest or prosecution for an offense listed in subsection (3) of this section
 10 if the evidence of the offense was obtained because the person contacted emergency medical services
 11 or a law enforcement agency.

12 (2) A person who is in need of medical assistance due to a drug-related overdose is immune from
 13 arrest or prosecution for an offense listed in subsection (3) of this section if the evidence of the of-
 14 fense was obtained because any person contacted emergency medical services or a law enforcement
 15 agency to obtain medical assistance for the person.

16 (3) The immunity conferred under subsections (1) and (2) of this section applies to arrest and
 17 prosecution for:

18 (a) Frequenting a place where controlled substances are used as described in ORS 167.222;

19 (b) Possession of a controlled substance as described in ORS 475.752;

20 (c) Unlawful possession of hydrocodone as described in ORS 475.814;

21 (d) Unlawful possession of methadone as described in ORS 475.824;

22 (e) Unlawful possession of oxycodone as described in ORS 475.834;

23 (f) Unlawful possession of heroin as described in ORS 475.854;

24 (g) Unlawful possession of marijuana [*or a marijuana product*] as described in ORS 475.864 **and**
 25 **section 34a of this 2016 Act;**

26 (h) Unlawful possession of 3,4-methylenedioxymethamphetamine as described in ORS 475.874;

27 (i) Unlawful possession of cocaine as described in ORS 475.884;

28 (j) Unlawful possession of methamphetamine as described in ORS 475.894;

29 (k) Unlawfully possessing a prescription drug as described in ORS 689.527 (6); and

30 (L) Unlawful possession of drug paraphernalia with intent to sell or deliver as described in ORS
 31 475.525.

32 (4)(a) A person may not be arrested for violating, or found to be in violation of, the conditions
 33 of the person's pretrial release, probation, post-prison supervision or parole if the violation involves:

34 (A) The possession or use of a controlled substance or frequenting a place where controlled
 35 substances are used; and

36 (B) The evidence of the violation was obtained because the person contacted emergency medical
 37 services or a law enforcement agency to obtain medical assistance for another person who needed
 38 medical assistance due to a drug-related overdose.

39 (b) A person may not be arrested for violating, or found to be in violation of, the conditions of
 40 the person's pretrial release, probation, post-prison supervision or parole if the violation involves:

41 (A) The possession or use of a controlled substance or frequenting a place where controlled
 42 substances are used; and

43 (B) The evidence of the violation was obtained because the person was in need of medical as-
 44 sistance due to a drug-related overdose and any person contacted emergency medical services or a
 45 law enforcement agency to obtain medical assistance for the person.

1 (5)(a) A person may not be arrested on an outstanding warrant for any of the offenses listed in
 2 subsection (3) of this section, or on an outstanding warrant for a violation, other than commission
 3 of a new crime, of the conditions of the person’s probation, post-prison supervision or parole for
 4 conduct that would constitute an offense listed in subsection (3) of this section, if the location of the
 5 person was obtained because the person contacted emergency medical services or a law enforcement
 6 agency to obtain medical assistance for another person who needed medical assistance due to a
 7 drug-related overdose.

8 (b) A person may not be arrested on an outstanding warrant for any of the offenses listed in
 9 subsection (3) of this section, or on an outstanding warrant for a violation, other than commission
 10 of a new crime, of the conditions of the person’s probation, post-prison supervision or parole for
 11 conduct that would constitute an offense listed in subsection (3) of this section, if the location of the
 12 person was obtained because the person was in need of medical assistance due to a drug-related
 13 overdose and any person contacted emergency medical services or a law enforcement agency to
 14 obtain medical assistance for the person.

15 (c) This subsection does not apply to outstanding federal warrants or outstanding warrants is-
 16 sued from other states.

17 (6) The immunity from arrest and prosecution described in this section is not grounds for the
 18 suppression of evidence relating to a criminal offense other than the offenses listed in subsection (3)
 19 of this section.

20 (7) As used in this section:

21 (a) “Controlled substance” has the meaning given that term in ORS 475.005.

22 (b) “Drug-related overdose” means an acute condition, including mania, hysteria, extreme phys-
 23 ical illness, coma or death, resulting from the consumption or use of a controlled substance, or an-
 24 other substance with which a controlled substance was combined, that a person would reasonably
 25 believe to be a condition that requires medical attention.

26 **SECTION 42d.** ORS 809.265 is amended to read:

27 809.265. (1) Unless the court finds compelling circumstances not to order suspension of driving
 28 privileges, the court in which a person is convicted of an offense described in this subsection shall
 29 order suspension of the person’s driving privileges. This subsection applies when a person is con-
 30 victed of:

31 (a) Any offense involving manufacturing, possession or delivery of controlled substances[, *except*
 32 *for possession of less than one avoirdupois ounce of marijuana as described in ORS 475.864 (3)*].

33 (b) Driving while under the influence of intoxicants in violation of ORS 813.010 or of a municipal
 34 ordinance if the person was under the influence of an inhalant or a controlled substance.

35 *[(2) The court in which a person is convicted of possession of less than one avoirdupois ounce of*
 36 *marijuana, as described in ORS 475.864 (3), may order suspension of the person’s driving privileges*
 37 *if the person is under 18 years of age and the court determines that suspension of the person’s driving*
 38 *privileges is necessary for the safety of the community. The court shall indicate the findings supporting*
 39 *the suspension in the judgment.]*

40 *[(3)]* (2) Upon receipt of an order under this section, the department shall take action as directed
 41 under ORS 809.280.

42 **SECTION 42e.** ORS 813.215 is amended to read:

43 813.215. (1) A defendant is eligible for diversion if the defendant meets all of the following con-
 44 ditions:

45 (a) On the date the defendant filed the petition for a driving while under the influence of

1 intoxicants diversion agreement, the defendant had no charge, other than the charge for the present
 2 offense, pending for:

3 (A) An offense of driving while under the influence of intoxicants in violation of:

4 (i) ORS 813.010; or

5 (ii) The statutory counterpart to ORS 813.010 in another jurisdiction;

6 (B) A driving under the influence of intoxicants offense in another jurisdiction that involved the
 7 impaired driving of a vehicle due to the use of intoxicating liquor, a controlled substance, an
 8 inhalant or any combination thereof; or

9 (C) A driving offense in another jurisdiction that involved operating a vehicle while having a
 10 blood alcohol content above that jurisdiction's permissible blood alcohol content.

11 (b) The defendant has not been convicted of an offense described in paragraph (a) of this sub-
 12 section within the period beginning 15 years before the date of the commission of the present offense
 13 and ending on the date the defendant filed the petition for a driving while under the influence of
 14 intoxicants diversion agreement.

15 (c) The defendant has not been convicted of a felony offense described in ORS 813.010 (5)(a).

16 (d) The defendant was not participating in a driving while under the influence of intoxicants
 17 diversion program or in any similar alcohol or drug rehabilitation program in this state or in an-
 18 other jurisdiction on the date the defendant filed the petition for a driving while under the influence
 19 of intoxicants diversion agreement. A defendant is not ineligible for diversion under this paragraph
 20 by reason of participation in a diversion program or any similar alcohol or drug rehabilitation pro-
 21 gram as a result of the charge for the present offense[,] **or** a charge for violation of ORS 471.430
 22 [*or a charge for violation of ORS 475.864 (3)*].

23 (e) The defendant did not participate in a diversion or rehabilitation program described in par-
 24 agraph (d) of this subsection within the period beginning 15 years before the date of the commission
 25 of the present offense and ending on the date the defendant filed the petition for a driving while
 26 under the influence of intoxicants diversion agreement. A defendant is not ineligible for diversion
 27 under this paragraph by reason of participation in a diversion program or rehabilitation program
 28 described in paragraph (d) of this subsection as a result of the charge for the present offense[,] **or**
 29 a charge for violation of ORS 471.430 [*or a charge for violation of ORS 475.864 (3)*].

30 (f) The defendant had no charge of an offense of aggravated vehicular homicide or of murder,
 31 manslaughter, criminally negligent homicide or assault that resulted from the operation of a motor
 32 vehicle pending in this state or in another jurisdiction on the date the defendant filed the petition
 33 for a driving while under the influence of intoxicants diversion agreement.

34 (g) The defendant has not been convicted of an offense described in paragraph (f) of this sub-
 35 section within the period beginning 15 years before the date of the commission of the present offense
 36 and ending on the date the defendant filed the petition for a driving while under the influence of
 37 intoxicants diversion agreement.

38 (h) The defendant did not hold commercial driving privileges on the date of the commission of
 39 the offense.

40 (i) The defendant was not operating a commercial motor vehicle at the time of the offense.

41 (j) The present driving while under the influence of intoxicants offense did not involve an acci-
 42 dent resulting in:

43 (A) Death of any person; or

44 (B) Physical injury as defined in ORS 161.015 to any person other than the defendant.

45 (2) For the purposes of subsection (1)(a) of this section, a conviction for a driving offense in

1 another jurisdiction based solely on a person under 21 years of age having a blood alcohol content
 2 that is lower than the permissible blood alcohol content in that jurisdiction for a person 21 years
 3 of age or older does not constitute a prior conviction.

4 (3) A defendant is eligible for a second or subsequent diversion if the defendant meets all of the
 5 conditions of subsection (1) of this section and the defendant has not been convicted of any other
 6 criminal offense involving a motor vehicle within the period beginning 15 years before the date of
 7 the commission of the present offense and ending on the date the defendant filed the petition for the
 8 second or subsequent driving while under the influence of intoxicants diversion agreement.

9 **SECTION 43.** ORS 475B.015 is amended to read:

10 475B.015. As used in ORS 475B.010 to 475B.395:

11 (1) "Consumer" means a person who purchases, acquires, owns, holds or uses marijuana items
 12 other than for the purpose of resale.

13 (2) "Cannabinoid" means any of the chemical compounds that are the active constituents of
 14 marijuana.

15 (3) "Cannabinoid concentrate" means a substance obtained by separating cannabinoids from
 16 marijuana by:

17 (a) A mechanical extraction process;

18 (b) A chemical extraction process using a nonhydrocarbon-based or other solvent, such as water,
 19 vegetable glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol;

20 (c) A chemical extraction process using the hydrocarbon-based solvent carbon dioxide, provided
 21 that the process does not involve the use of high heat or pressure; or

22 (d) Any other process identified by the Oregon Liquor Control Commission, in consultation with
 23 the Oregon Health Authority, by rule.

24 (4) "Cannabinoid edible" means food or potable liquid into which a cannabinoid concentrate,
 25 cannabinoid extract or dried marijuana leaves or flowers have been incorporated.

26 (5) "Cannabinoid extract" means a substance obtained by separating cannabinoids from
 27 marijuana by:

28 (a) A chemical extraction process using a hydrocarbon-based solvent, such as butane, hexane
 29 or propane;

30 (b) A chemical extraction process using the hydrocarbon-based solvent carbon dioxide, if the
 31 process uses high heat or pressure; or

32 (c) Any other process identified by the commission, in consultation with the authority, by rule.

33 (6)(a) "Cannabinoid product" means a cannabinoid edible and any other product intended for
 34 human consumption or use, including a product intended to be applied to the skin or hair, that
 35 contains cannabinoids or dried marijuana leaves or flowers.

36 (b) "Cannabinoid product" does not include:

37 (A) Usable marijuana by itself;

38 (B) A cannabinoid concentrate by itself;

39 (C) A cannabinoid extract by itself; or

40 (D) Industrial hemp, as defined in ORS 571.300.

41 (7)(a) "Financial consideration" means value that is given or received either directly or indi-
 42 rectly through sales, barter, trade, fees, charges, dues, contributions or donations.

43 (b) "Financial consideration" does not include[:] **marijuana, cannabinoid products or**
 44 **cannabinoid concentrates that are delivered within the scope of and in compliance with ORS**
 45 **475B.245.**

1 [(A) *Homegrown marijuana that is given or received when nothing is given or received in return;*
 2 *or*]

3 [(B) *Homemade cannabinoid products or cannabinoid concentrates that are given or received when*
 4 *nothing is given or received in return.*]

5 (8) “Homegrown” [*or “homemade”*] means grown [*or made*] by a person 21 years of age or older
 6 for noncommercial purposes.

7 (9) “Household” means a housing unit and any place in or around a housing unit at which the
 8 occupants of the housing unit are producing, processing, **possessing** or storing homegrown
 9 marijuana, [*or homemade*] cannabinoid products, [*or*] cannabinoid concentrates **or cannabinoid ex-**
 10 **tracts.**

11 (10) “Housing unit” means a house, an apartment or a mobile home, or a group of rooms or a
 12 single room that is occupied as separate living quarters, in which the occupants live and eat sepa-
 13 rately from any other persons in the building and that has direct access from the outside of the
 14 building or through a common hall.

15 (11) “Immature marijuana plant” means a marijuana plant that is not flowering.

16 (12) “Licensee” means a person who holds a license issued under ORS 475B.070, 475B.090,
 17 475B.100 or 475B.110.

18 (13) “Licensee representative” means an owner, director, officer, manager, employee, agent or
 19 other representative of a licensee, to the extent that the person acts in a representative capacity.

20 (14)(a) “Marijuana” means the plant Cannabis family Cannabaceae, any part of the plant
 21 Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.

22 (b) “Marijuana” does not include industrial hemp, as defined in ORS 571.300.

23 (15) “Marijuana flowers” means the flowers of the plant genus Cannabis within the plant family
 24 Cannabaceae.

25 (16) “Marijuana items” means marijuana, cannabinoid products, cannabinoid concentrates and
 26 cannabinoid extracts.

27 (17) “Marijuana leaves” means the leaves of the plant genus Cannabis within the plant family
 28 Cannabaceae.

29 (18) “Marijuana processor” means a person who processes marijuana items in this state.

30 (19) “Marijuana producer” means a person who produces marijuana in this state.

31 (20) “Marijuana retailer” means a person who sells marijuana items to a consumer in this state.

32 (21) “Marijuana wholesaler” means a person who purchases marijuana items in this state for
 33 resale to a person other than a consumer.

34 (22) “Mature marijuana plant” means a marijuana plant that is not an immature marijuana
 35 plant.

36 (23) “Noncommercial” means not dependent or conditioned upon the provision or receipt of fi-
 37 nancial consideration.

38 (24)(a) “Premises” or “licensed premises” includes the following areas of a location licensed
 39 under ORS 475B.070, 475B.090, 475B.100 or 475B.110:

40 (A) All public and private enclosed areas at the location that are used in the business operated
 41 at the location, including offices, kitchens, rest rooms and storerooms;

42 (B) All areas outside a building that the commission has specifically licensed for the
 43 [*production,*] processing, wholesale sale or retail sale of marijuana items; and

44 (C) For a location that the commission has specifically licensed for the production of marijuana
 45 outside a building, [*the entire lot or parcel, as defined in ORS 92.010, that the licensee owns, leases*

1 *or has a right to occupy*] **that portion of the location used to produce marijuana.**

2 (b) "Premises" or "licensed premises" does not include a primary residence.

3 (25)(a) "Processes" means the processing, compounding or conversion of marijuana into
4 cannabinoid products, cannabinoid concentrates or cannabinoid extracts.

5 (b) "Processes" does not include packaging or labeling.

6 (26)(a) "Produces" means the manufacture, planting, cultivation, growing or harvesting of
7 marijuana.

8 (b) "Produces" does not include:

9 (A) The drying of marijuana by a marijuana processor, if the marijuana processor is not other-
10 wise producing marijuana; or

11 (B) The cultivation and growing of an immature marijuana plant by a marijuana processor,
12 marijuana wholesaler or marijuana retailer if the marijuana processor, marijuana wholesaler or
13 marijuana retailer purchased or otherwise received the plant from a licensed marijuana producer.

14 (27) "Propagate" means to grow immature marijuana plants or to breed or produce the seeds
15 of the plant Cannabis family Cannabaceae.

16 (28) "Public place" means a place to which the general public has access and includes, but is
17 not limited to, hallways, lobbies and other parts of apartment houses and hotels not constituting
18 rooms or apartments designed for actual residence, and highways, streets, schools, places of
19 amusement, parks, playgrounds and areas used in connection with public passenger transportation.

20 (29)(a) "Usable marijuana" means the dried leaves and flowers of marijuana.

21 (b) "Usable marijuana" does not include:

22 (A) The seeds, stalks and roots of marijuana; or

23 (B) Waste material that is a by-product of producing or processing marijuana.

24 **SECTION 44.** ORS 475B.150 is amended to read:

25 475B.150. (1) The Oregon Liquor Control Commission shall develop and maintain a system for
26 tracking the transfer of marijuana items between [*licensed*] premises.

27 (2) The purposes of the system developed and maintained under this section include, but are not
28 limited to:

29 (a) Preventing the diversion of marijuana items to criminal enterprises, gangs, cartels and other
30 states;

31 (b) Preventing persons from substituting or tampering with marijuana items;

32 (c) Ensuring an accurate accounting of the production, processing and sale of marijuana items;

33 [*d*] Ensuring that taxes are collected for the purpose of being distributed as described in section
34 44, chapter 1, Oregon Laws 2015;]

35 [*e*] (d) Ensuring that laboratory testing results are accurately reported; and

36 [*f*] (e) Ensuring compliance with the provisions of ORS 475B.010 to 475B.395, rules adopted
37 under the provisions of ORS 475B.010 to 475B.395 and any other law of this state that charges the
38 commission with a duty, function or power related to marijuana.

39 (3) The system developed and maintained under this section must be capable of tracking, at a
40 minimum:

41 (a) The propagation of immature marijuana plants and the production of marijuana by a
42 marijuana producer;

43 (b) The processing of marijuana by a marijuana processor;

44 (c) The receiving, storing and delivering of marijuana items by a marijuana wholesaler;

45 (d) The sale of marijuana items by a marijuana retailer to a consumer;

1 (e) The purchase and sale of marijuana items between licensees, as permitted by ORS 475B.010
2 to 475B.395;

3 (f) The transfer of marijuana items between [*licensed*] premises; and

4 (g) Any other information that the commission determines is reasonably necessary to accomplish
5 the duties, functions and powers of the commission under ORS 475B.010 to 475B.395.

6 **SECTION 45.** ORS 475B.160 is amended to read:

7 475B.160. (1) A marijuana producer, marijuana processor or marijuana wholesaler may deliver
8 marijuana items only to or on a [*licensed*] premises.

9 (2) A [*licensed*] premises may receive marijuana items only from:

10 (a) A marijuana producer, marijuana processor or marijuana wholesaler for whom a premises
11 has been licensed by the Oregon Liquor Control Commission[.];

12 **(b) A researcher of cannabis certified under ORS 475B.235 who transfers limited amounts**
13 **of marijuana, usable marijuana, cannabinoid products, cannabinoid concentrates and**
14 **cannabinoid extracts in accordance with procedures adopted under ORS 475B.235 (3)(d) and**
15 **(e); or**

16 **(c) A marijuana grow site registered under ORS 475B.420, marijuana processing site**
17 **registered under ORS 475B.435, or a medical marijuana dispensary registered under ORS**
18 **475B.450, acting in accordance with procedures adopted by the commission under section 16**
19 **of this 2016 Act.**

20 (3) The sale of marijuana items by a marijuana retailer that holds a license issued under ORS
21 475B.110 must be restricted to the premises described in the license, but deliveries may be made by
22 the marijuana retailer to consumers pursuant to a bona fide order received at the [*licensed*] premises
23 prior to delivery.

24 **SECTION 46.** ORS 475B.340 is amended to read:

25 475B.340. (1) For purposes of this section, “reasonable regulations” includes:

26 (a) Reasonable conditions on the manner in which a marijuana producer licensed under ORS
27 475B.070 may produce marijuana;

28 (b) Reasonable conditions on the manner in which a marijuana processor licensed under ORS
29 475B.090 may process marijuana;

30 (c) Reasonable conditions on the manner in which a marijuana wholesaler licensed under ORS
31 475B.100 may sell marijuana at wholesale;

32 *[(d) Reasonable limitations on the hours during which a marijuana retailer licensed under ORS*
33 *475B.110 may operate;]*

34 *[(e)]* **(d)** Reasonable conditions on the manner in which a marijuana retailer licensed under ORS
35 475B.110 may sell marijuana items;

36 **(e) Reasonable limitations on the hours during which a premises for which a license has**
37 **been issued under ORS 475B.070, 475B.090, 475B.100 or 475B.110 may operate;**

38 (f) Reasonable requirements related to the public’s access to a premises for which a license has
39 been issued under ORS 475B.070, 475B.090, 475B.100 or 475B.110; and

40 (g) Reasonable limitations on where a premises for which a license may be issued under ORS
41 475B.070, 475B.090, 475B.100 or 475B.110 may be located.

42 (2) Notwithstanding ORS 633.738, the governing body of a city or county may adopt ordinances
43 that impose reasonable regulations on the operation of businesses located at premises for which a
44 license has been issued under ORS 475B.070, 475B.090, 475B.100 or 475B.110 if the premises are lo-
45 cated in the area subject to the jurisdiction of the city or county, except that the governing body

1 of a city or county may not adopt an ordinance that prohibits a premises for which a license has
 2 been issued under ORS 475B.110 from being located within a distance that is greater than 1,000 feet
 3 of another premises for which a license has been issued under ORS 475B.110.

4 (3) Regulations adopted under this section must be consistent with city and county comprehen-
 5 sive plans and zoning ordinances and applicable provisions of public health and safety laws.

6 **SECTION 47.** ORS 475B.375 is amended to read:

7 475B.375. [ORS 475B.025, 475B.033, 475B.035, 475B.040, 475B.045, 475B.055, 475B.060, 475B.065,
 8 475B.068, 475B.070, 475B.090, 475B.100, 475B.110, 475B.130, 475B.160, 475B.165, 475B.170, 475B.180,
 9 475B.185, 475B.190, 475B.195, 475B.200, 475B.205, 475B.210, 475B.250, 475B.255, 475B.260, 475B.265,
 10 475B.270, 475B.275, 475B.280, 475B.298, 475B.300, 475B.305, 475B.310, 475B.315, 475B.320, 475B.325,
 11 475B.330, 475B.335, 475B.340, 475B.350, 475B.353, 475B.355, 475B.358, 475B.365, 475B.378, 475B.380
 12 and 475B.395:] **Except for ORS 475B.373 and section 16 of this 2016 Act, ORS 475B.010 to**
 13 **475B.395:**

14 (1) Do not apply to the extent a person acts within the scope of and in compliance with the
 15 Oregon Medical Marijuana Act; and

16 (2) Do not amend or affect duties, functions and powers of the Oregon Health Authority under
 17 the Oregon Medical Marijuana Act.

18 **SECTION 48.** Section 3, chapter 20, Oregon Laws 2015, as amended by section 10, chapter 840,
 19 Oregon Laws 2015, is amended to read:

20 **Sec. 3.** (1) Notwithstanding ORS 221.770, 471.805 and 471.810, for the biennium beginning July
 21 1, 2013, and the biennium beginning July 1, 2015, the Oregon Liquor Control Commission may ex-
 22 pend moneys in the Oregon Liquor Control Commission Account to pay any expenses incurred by
 23 the commission in implementing and carrying out sections 3 to 70, chapter 1, Oregon Laws 2015.
 24 Any expenditure made under this subsection is considered a loan and must be repaid from the
 25 Oregon Marijuana Account established by section 44, chapter 1, Oregon Laws 2015. Expenditures
 26 made under this subsection shall be made from moneys in the Oregon Liquor Control Commission
 27 Account before the distributions required by ORS 471.810 are made.

28 (2) Notwithstanding section 44, chapter 1, Oregon Laws 2015, not later than [June] **September**
 29 30, 2017, the Department of Revenue shall transfer from the Oregon Marijuana Account to the
 30 commission for deposit in the Oregon Liquor Control Commission Account an amount equal to the
 31 total amount expended by the commission under subsection (1) of this section plus two percent of
 32 the total amount expended. The department shall make the transfer required by this subsection be-
 33 fore making any other withholding, distribution or expenditure from the Oregon Marijuana Account
 34 for purposes described in section 44, chapter 1, Oregon Laws 2015.

35 **SECTION 49.** **Section 44, chapter 1, Oregon Laws 2015, is added to and made a part of**
 36 **ORS 475B.700 to 475B.760.**

37
 38 **(Operative January 1, 2017)**
 39

40 **SECTION 50.** ORS 475B.760 is amended to read:

41 475B.760. (1) All moneys received by the Department of Revenue under ORS 475B.700 to
 42 475B.760 [and section 21a, chapter 699, Oregon Laws 2015,] shall be deposited in the State Treasury
 43 and credited to a suspense account established under ORS 293.445. The department may pay ex-
 44 penses for the administration and enforcement of ORS 475B.700 to 475B.760 [and section 21a, chapter
 45 699, Oregon Laws 2015,] out of moneys received from the tax imposed under ORS 475B.705. Amounts

1 necessary to pay administrative and enforcement expenses are continuously appropriated to the de-
 2 partment from the suspense account.

3 (2) After the payment of administrative and enforcement expenses and refunds or credits arising
 4 from erroneous overpayments, the department shall credit the balance of the moneys received by the
 5 department under this section to the Oregon Marijuana Account established under section 44,
 6 chapter 1, Oregon Laws 2015.

7
 8 **YOUTH MARIJUANA-USE PREVENTION PILOT PROJECT**

9
 10 **SECTION 51.** (1) The Oregon Health Authority shall establish, for the purpose of estab-
 11 lishing a statewide program during the 2017-2019 biennium, an evidence-based pilot project
 12 for the purpose of increasing awareness among youth of the impact of using marijuana and
 13 marijuana-derived products.

14 (2) As part of the pilot project, the authority shall solicit, in accordance with the pro-
 15 visions of ORS chapter 279B, a request for proposals to implement a multi-media public
 16 campaign targeting youth and young adults between 14 and 20 years of age and parents and
 17 teachers.

18 (3) At a minimum, the authority shall implement the pilot project in one metropolitan
 19 area located in this state and in one rural area of significant size located in this state.

20 (4) The authority shall monitor and collect data on the effectiveness of the pilot project
 21 established under this section.

22 (5) The Oregon Liquor Control Commission shall assist, pursuant to an agreement or
 23 otherwise, the authority in establishing the pilot project under this section.

24 (6) On or before January 1, 2017, the authority shall report to the interim legislative
 25 committees related to health, and any interim legislative committee specifically related to
 26 marijuana use, on the implementation of the pilot project established under this section and
 27 on further steps required to implement a statewide program during the 2017-2019 biennium.
 28 The report shall be made in the manner provided by ORS 192.245 and may include recom-
 29 mendations for legislation.

30 **SECTION 52.** In addition to and not in lieu of any other appropriation, there is appro-
 31 priated to the Oregon Health Authority, for the biennium beginning July 1, 2015, out of the
 32 General Fund, the amount of \$_____ which may be expended for the implementation of the
 33 pilot project established under section 51 of this 2016 Act.

34
 35 **CLINICAL GUIDELINES WORK GROUP**

36
 37 **SECTION 53.** (1) The Oregon Health Authority shall convene a work group to develop
 38 recommendations related to attending physicians who diagnose individuals as having a de-
 39 bilitating medical condition, as defined in ORS 475B.410, and who prescribe the medical use
 40 of marijuana for the purpose of mitigating the symptoms or effects of a debilitating medical
 41 condition.

42 (2) The work group convened under this section shall include at least one attending
 43 physician who has diagnosed an individual as having a debilitating medical condition and at
 44 least one individual for whom the medical use of marijuana has been prescribed for the
 45 purpose of mitigating the symptoms or effects of a debilitating medical condition. The work

1 group convened under this section shall include additional members as the authority con-
2 siders necessary to carry out the duties of the work group.

3 (3) At a minimum, the work group convened under this section shall develop guidelines
4 for attending physicians to follow when prescribing the medical use of marijuana for the
5 purpose of mitigating the symptoms or effects of a debilitating medical condition.

6 (4) On or before January 1, 2017, the authority shall report to the interim legislative
7 committees related to health, and any interim legislative committee specifically related to
8 the regulation of the medical use of marijuana, on the recommendations developed by the
9 work group. The report shall be made in the manner provided by ORS 192.245 and may in-
10 clude recommendations for legislation.

11
12 **REPORTS**

13 (By the Oregon Liquor Control Commission)

14
15 **SECTION 54.** On or before January 1, 2017, the Oregon Liquor Control Commission shall
16 report to the interim legislative committees related to business, and any interim legislative
17 committee specifically related to businesses that produce marijuana, on rules adopted by the
18 commission under ORS 475B.070 (3)(d) related to assisting the viability of marijuana produc-
19 ers that are independently owned and operated and are limited in size and revenue with re-
20 spect to other marijuana producers. The report shall be made in the manner provided by ORS
21 192.245.

22
23 (By the Oregon Health Authority)

24
25 **SECTION 55.** On or before January 1, 2017, the Oregon Health Authority shall report to
26 the interim legislative committees related to the environment, and any interim legislative
27 committee specifically related to businesses that sell marijuana or marijuana-derived pro-
28 ducts, on rules adopted by the authority or steps otherwise taken by the authority related
29 to recalling marijuana or marijuana-derived products that are contaminated and unfit for
30 human consumption. The report shall be made in the manner provided by ORS 192.245 and
31 may include recommendations for legislation.

32
33 **SUNSET FOR SECTIONS 51, 53, 54 AND 55**

34
35 **SECTION 56.** Sections 51, 53, 54 and 55 of this 2016 Act are repealed on January 2, 2018.

36
37 **REPEALS**

38
39 **SECTION 57.** ORS 811.481 is repealed.

40 **SECTION 58.** Sections 173 and 175b, chapter 614, Oregon Laws 2015, are repealed.

41
42 **APPLICABILITY**

43
44 **SECTION 59.** The amendments to ORS 475.856, 475.858, 475.860, 475.862, 475.864 and
45 475B.185 by sections 27 and 30 to 34 of this 2016 Act apply to conduct occurring on or after

1 the operative date specified in section 60 of this 2016 Act.

2
3 OPERATIVE DATES
4

5 **SECTION 60.** (1) Sections 12 to 13e, 15 to 17, 19, 20, 23 to 23b, 28, 29, 34a to 38, 49, 51 and
6 53 to 55 of this 2016 Act, the amendments to statutes and session law by sections 1 to 11a,
7 14, 18, 21, 22, 24 to 27, 30 to 34 and 39 to 48 of this 2016 Act and the repeal of statutes and
8 session law by sections 57 and 58 of this 2016 Act become operative on March 1, 2016.

9 (2) The Oregon Liquor Control Commission, Oregon Health Authority and Department
10 of Revenue may take any action before the operative date specified in subsection (1) of this
11 section that is necessary to enable the commission, authority or department to exercise, on
12 and after the operative date specified in subsection (1) of this section, all the duties, powers
13 and functions conferred on the commission, authority or department by sections 13, 13b, 13c,
14 13e, 16, 20, 23, 23b, 29, 34a, 36, 38, 51 and 53 to 55 of this 2016 Act, the amendments to statutes
15 and session law by sections 1 to 11a, 14, 18, 21, 22, 24 to 27, 30 to 34 and 39 to 48 of this 2016
16 Act and the repeal of statutes and session law by sections 57 and 58 of this 2016 Act.

17 **SECTION 61.** The amendments to ORS 475B.760 by section 50 of this 2016 Act become
18 operative on January 1, 2017.

19
20 UNIT CAPTIONS
21

22 **SECTION 62.** The unit captions used in this 2016 Act are provided only for the conven-
23 ience of the reader and do not become part of the statutory law of this state or express any
24 legislative intent in the enactment of this 2016 Act.

25
26 EMERGENCY CLAUSE
27

28 **SECTION 63.** This 2016 Act being necessary for the immediate preservation of the public
29 peace, health and safety, an emergency is declared to exist, and this 2016 Act takes effect
30 on its passage.
31